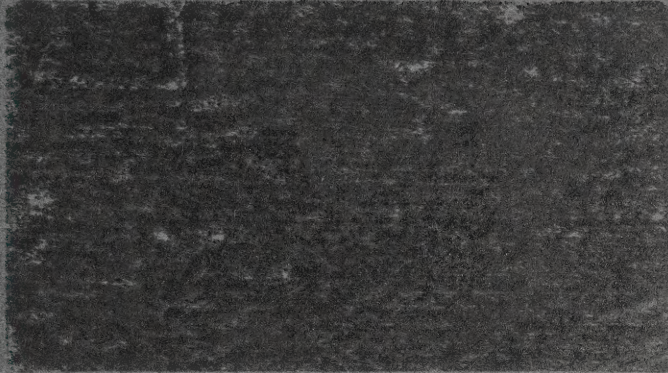


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TRANSITION

Report of the Social Assistance Review Committee

Summary

Prepared for the
Ontario Ministry of
Community and
Social Services

REPORT OF THE
SOCIAL ASSISTANCE
REVIEW COMMITTEE

TRANSITIONS

SUMMARY

Prepared for the Ontario Ministry of
Community and Social Services

Toronto 1988



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INTRODUCTION

In July 1986, the Ontario government established the Social Assistance Review Committee, an independent committee charged with undertaking a public review of the province's social assistance system. Our mandate has been to examine and answer four questions:

- What should be the guiding principles and objectives of social assistance and related programs?
- To what extent is the present system meeting those objectives?
- What overall strategies for change should the province adopt?
- What parameters should the province accept as it moves to change its legislation?

The committee includes 12 members with varied backgrounds and experience from across the province. Some members work or have worked within the social assistance system; some have been recipients of social assistance. Others bring expertise from business, labour, the religious community, law, and municipal politics. Members have also brought the perspectives of a variety of groups, including sole-support parents, people with disabilities, Native people, immigrants, and Franco-Ontarians.

We began with an extensive period of public consultation. The committee spent 23 days holding public hearings in 14 communities across Ontario. We received more than 1,500 submissions and briefs. Recipients or former recipients as well as those who work within the system provided us with extensive feedback. Seven advisory groups were established to supplement the advice we received during the public consultations. Each advisory group consisted of people with a special perspective on social assistance.

Consultation was followed by a study of the issues. Using the results of a number of research reports and discussion papers that we commissioned, we considered the problems that we and those with whom we consulted identified as being most important. The third and final phase of our work consisted of intensive deliberation about the problems facing the system and the development of a consensus about the

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reforms we believe are required. We then prepared our report, which contains 274 specific recommendations for change.

This summary includes all the recommendations we have advanced, but presents the background and rationale for those recommendations only in condensed form. We urge readers to consult the report itself for a more thorough and detailed discussion. If implemented, our recommendations will constitute a major restructuring of one of Ontario's most important social programs.

April 1988

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PRINCIPLES FOR REFORM

Our terms of reference asked us to determine what should be “the guiding principles and objectives of social assistance and related programs”. We have taken this as a cornerstone of our work, for the following reasons.

First, social assistance is currently a system whose policies and objectives are unstated, often multiple, and often conflicting. The principles we have arrived at need to be constantly kept in mind if Ontario is to develop a rational system, and if the worth of our recommendations is to be effectively measured. Second, fundamental changes are necessary in the social assistance system. It is essential to state the principles and objectives that underlie such major reform and justify the expense necessary to achieve it.

Most important, a public consensus regarding society’s obligation to those in need is essential to the reform process. Ontario can break the cycle of poverty only if there is broad public understanding and endorsement of a set of principles and underlying values that require this to happen. These principles must also serve as a benchmark for social policy initiatives that go beyond social assistance. Otherwise, our recommendations will have only limited impact.

One fundamental objective should guide reforms both within and outside social assistance:

All people in Ontario are entitled to an equal assurance of life opportunities in a society that is based on fairness, shared responsibility, and personal dignity for all. The objective for social assistance therefore must be to ensure that individuals are able to make the transition from dependence to autonomy, and from exclusion on the margins of society to integration within the mainstream of community life.

We begin with the belief that each person is of inherent worth and should be presumed capable of reason, choice, self-realization, and independence. Each person

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is also interdependent with other members of society and needs to participate in, and be related to, family and community in order to fulfil his or her potential. Society has a responsibility to assist its members in their development and integration, within a framework of economic equality and social justice.

We have designed a system that views all social assistance recipients, like all members of society, as people in transition. Transition implies change and change carries with it risks. In addition, the extraordinary rapidity of global change means that those with low incomes and fewer educational qualifications, those who have dependants to support, and persons with disabilities are especially vulnerable. Without a change of direction, Ontario risks creating extreme disparities between affluence and privilege, and poverty and despair. The effects of poverty go beyond the exclusion of individuals from society. The nurturing of human resources is critical in a service- and knowledge-based economy. It is in the broader interest of society to provide a range of opportunities that facilitates the process of transition for all individuals at risk.

This fundamental shift away from the familiar model of incremental reform within a "care-based" system is the hallmark of the changed environment we envision in this report. Viewing social assistance in this active, developmental, and goal-oriented way will eventually, we hope, transform the system and its impact upon those who turn to it for help.

The support that society provides is not to be understood as a gift or privilege, nor as charity to the disadvantaged. Rather, it represents a right to which all members of society are entitled. Such support must be equitable and available to all. The existence of need should evoke an assured response, beyond the reach of arbitrary systems and decision-making.

People in need require adequate financial support, but the supports and resources that assist transition must also be available. Wherever possible, these supports should be delivered through mainstream agencies that serve the public as a whole; otherwise, exclusion and marginalization will merely continue in different forms.

We propose a sharing of responsibility among all those concerned with social assistance, and an enhanced role for government as a means of achieving our objectives. *Government* bears a basic responsibility to invest in its citizens by ensuring that their living needs are met and that access to opportunity truly exists. *The individual* has a corresponding responsibility to become, with support where necessary, as self-reliant as possible and to contribute to community life. *The community* must accept all members of society, particularly those who are vulnerable or who have suffered exclusion. It is also at the community level that the process of integration is best planned and co-ordinated. *The voluntary sector* has a special respon-

PRINCIPLES FOR REFORM

sibility to provide personal care and support, but not the income and services that government should provide.

The rules and behaviours of society that lead to the marginalization of the poor must also be addressed. This requires major reform of the social assistance system and long-term change in broader social and economic opportunities outside the system, in such areas as education, health, and housing.

Operating Principles

These ten operating principles should guide the new social assistance system.

1. Eligibility

All members of the community have a presumptive right to social assistance based on need.

The social assistance system regularly denies benefits to certain people. The self-employed are automatically ineligible, regardless of their financial circumstances. The residence requirement is often read narrowly so that those without a permanent residence are excluded; yet without assistance, a permanent residence generally cannot be found. Especially disadvantaged by this requirement are those recently discharged from institutions, who lack a financial base from which to set out on their own.

For policy reasons that are neither well articulated nor measured for their impact, the need principle is overridden again and again. The child's portion of a family's benefits is deducted when a child fails to attend school regularly; the sponsored immigrant is deemed ineligible when the sponsorship arrangement breaks down – that is, when need is greatest – despite the fact that the immigrant has no means of enforcing the agreement.

There must be a basic presumption in favour of inclusion where need exists. This presumption might then be set aside, but only when doing so can be clearly justified by reference to policies that are publicly stated and openly debated.

On a broader level, we must assist those who are effectively excluded from full membership in the community. In Ontario, more than 360,000 children under 18 (including some 205,000 recipients or beneficiaries of social assistance) grow up in poverty, a factor that contributes more than any other to poor life experience. Women who go through separation or divorce find themselves at a severe disadvantage as they seek to survive on inadequate support or to enter the labour market. In 1981, there were 110,000 Native people in Ontario; two-thirds of those over 15 and about 90% of Native women earned less than \$10,000 a year. In addition, of the more than 650,000 disabled persons between 15 and 64 who live in Ontario,

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approximately one-half are not in the labour force, and of those employed, many work in the artificial environment of the sheltered workshop.

2. Adequacy

All residents of Ontario who are in need must receive a fair and equitable level of social assistance, adequate to meet their basic needs for shelter, food, clothing, and personal and health care.

Adequacy is a prerequisite to transition. We strongly reject the argument that the "spur of poverty" is still essential in the drive to self-sufficiency. The vast majority of recipients want to be free of social assistance and to be independent. Moreover, the payment of insufficient benefits is profoundly counter-productive to transition, causing the recipient's energies to be consumed by a perilous struggle to survive.

We have concluded that the levels of income support now provided in this province are inadequate. This is made worse by the fact that access to many basic items is subject to administrative discretion. As well, the varying benefit levels lead to a perception that some recipients are more deserving than others.

Two conspicuous examples of the inadequacy of current benefit levels are by now widely familiar. First, a large number of recipients spend too much of their income on shelter. A third of those not living with relatives or in subsidized housing spend more than 50% of their allowance on accommodation. Second, emergency food banks are growing steadily and emerging as the most obvious example of a burgeoning secondary welfare system.

Finally, it is essential that sufficient income also be available to those who live at the edge of the social assistance system – the working poor, who form the majority of poor people in the province.

3. Accessibility

Social assistance must be readily available to all those in need within the community.

Social assistance and associated services remain only theoretical rights if people cannot obtain access to them where and when they are needed. The system must be simple, easily understood, and responsive to need on a timely basis. It must be accessible in English and French throughout the province, and in other languages as required.

The current system is not readily accessible. The division of responsibilities between the provincial and municipal governments compounds its complexity and ensures delay and confusion for many applicants. The high level of unstructured discretion means that accessibility has different meanings in different parts of

PRINCIPLES FOR REFORM

Ontario. Much also remains to be done to make effective use of technology in the effort to provide fast and efficient service.

Little understandable information about this very complex system is provided to the public. The problem is greatest for those who speak languages other than English. For many, the necessary dialogue cannot even begin because interpretation and translation services are imperfectly delivered, often through volunteers or applicants' children.

An accessible system is one that is free of stigma. Rules and procedures that reinforce applicants' low self-esteem and reflect negative and inaccurate public perceptions of social assistance recipients function as highly effective barriers. In addition, a key to transition is the availability of trained, sensitive staff who are able to provide timely support to people in need. Here, too, the current system falls far short.

4. Personal Development

Social assistance must provide a broad range of opportunities to promote personal growth and integration into the community.

For many, employment represents the most effective means of establishing self-esteem and self-sufficiency, and of enabling integration into society. The focus must not be on working to "earn" social assistance benefits; rather, it must be on skills training and employment in order to achieve personal independence. For others, opportunities that increase community participation short of employment are equally essential.

Despite significant recent initiatives in this area, the predominant experience of most long-term clients is the receipt of benefits, not opportunities. Financial disincentives make the move into the labour force a risky undertaking. Essential support services – such as child care and measures that make the workplace accessible to disabled persons – may be unavailable or delayed. "Personal support" in the development of what we will call an opportunity plan now often involves little more than the imposition of a standardized job search requirement. And for those who are not expected to seek employment, attempts to promote personal development have traditionally been seen as unnecessary and unproductive.

Here as well, the focus must be beyond the social assistance system itself. To remove the barriers that limit opportunities, new and broadly based approaches must be pursued, including policies directed at full employment; educational programs that reduce high school dropout rates, combat illiteracy, and teach needed job skills; flexible employment policies for adults with dependants or those seeking to

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develop their own skills; the elimination of discrimination in employment; and readily accessible child care.

5. Personal Responsibility

The social assistance system must enable individuals to assume responsibility for themselves and must ensure individual choice, self-determination, and participation in community life.

Individual ability and willingness to assume personal responsibility are essential if the system is to help each person to achieve the highest possible degree of self-sufficiency and integration within the community. Individual responsibility is greatly enhanced by treating people with respect, encouraging them to participate, and providing them with choices rather than imposing solutions.

We have accepted that, for some, receipt of *full* assistance should be made conditional upon a willingness to participate in opportunity planning, provided that real opportunities are available and measures are introduced to protect those who are required to participate.

Currently, the social assistance system imposes conditions and sanctions more readily than it offers opportunities. The expectations placed upon recipients vary and are often of limited relevance and value to the particular recipient. In most cases, the system fails to provide the support that would enable recipients to meet its conditions; without such support, the imposition of conditions is unjustified.

6. Individual Rights

The social assistance system must respect the rights of individuals as guaranteed in the Canadian Charter of Rights and Freedoms and other laws. It must guarantee a clear and impartial decision-making process, including the right to due process, access to information, and the protection of privacy.

The protections afforded by these laws are especially important when access to the basic requirements of life is at issue. We believe that legislative statements of individual rights should be read broadly, not narrowly or only as far as existing court decisions require. The current social assistance system regularly denies the protections afforded by the rules of fundamental justice, as well as the equality of treatment that the Charter and other laws require. This denial is unacceptable.

Inequality is embedded in many of the rules that apply to social assistance. Rules and procedures also violate basic notions of fairness and due process: many decisions involving basic needs cannot be appealed, and recipients are not given notice of or reasons for decisions of major import. Existing appeal procedures are fundamentally flawed; recipients are denied access to information that forms the basis of decisions

PRINCIPLES FOR REFORM

made about them; and highly intrusive measures are adopted in the effort to eliminate abuse of the system.

7. Respect for Family Life

The social assistance system must support and strengthen the integrity of family life while remaining sensitive to the needs of individual family members who may be at risk.

As family forms change, as we redefine the roles of family members, and as societal change places new stresses upon the family and those within it, many families need support at various stages in their life cycles. At the same time, individual family members may be at serious risk and may need assistance to leave family situations that threaten or harm them.

Inadequate social assistance payments have a devastating impact upon the family. People in poor families are more likely to experience future difficulties in life. Some families must separate to survive financially or must place their children in foster care, where greater financial support is available.

The rules and procedures of social assistance shape and reflect attitudes towards the family. The ways in which social assistance is currently used to implement implicit or explicit government policies regarding the family are generally unidentified and rarely the subject of public debate. Social assistance policy must respect and support the family's ability and right to make decisions. Inadequate benefits dissuade the parent who prefers to remain at home with his or her children. Conversely, serious financial disincentives and the denial of basic supports such as child care keep many parents at home when they would prefer to work outside the home.

In many ways, the current system seems to have the effect of weakening rather than strengthening families. It adapts poorly to new family arrangements and is slow to make available services, such as mediation, that may ease the impact of family breakdown. While important gains have been made, the system still offers imperfect protection for those at risk within the family.

8. Respect for Diversity

Social assistance must respect the diversity of cultures and religions in Ontario and must recognize the unique identity of Native communities.

The principles we endorse will be of limited value if we do not provide sensitive support, services, and opportunity to those of all cultures and religious beliefs. The present system falls short of this principle. Staff are insufficiently trained to understand and respond to the needs of minority groups. Limited use is made of the

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multicultural communities themselves as resources to help recipients to identify and pursue opportunities. Existing rules can have a devastating effect, for example upon sponsored immigrants and upon those with assets in their native countries that cannot be sold.

Ontario's Native peoples suffer disproportionately from poverty, dependency, and discrimination. While Native communities have been delegated extensive authority in delivering social assistance in a more culturally specific way, the program still falls short of the autonomous, Native-designed, and Native-controlled system that would better meet their needs.

9. Accountability of the System

The administration of social assistance must be efficient, open, and publicly accountable.

Adoption of the measures proposed in this report will require an increase in social assistance expenditures. There is a clear obligation to the public to demonstrate that these resources are being spent in the best and most cost-effective manner. Accountability must exist throughout the system.

The system currently places most of its emphasis upon techniques designed to prevent abuse on the part of recipients. Despite this, little is known about the amount of fraud, the effectiveness (and cost-effectiveness) of measures taken against it, and whether the harm done by these measures in some cases outweighs the good. Public understanding of how well or badly the system controls its expenditures is limited by inadequate or distorted information that reinforces existing perceptions.

10. Shared Responsibility

The effectiveness of social assistance depends upon the joint action and effective co-operation of the community at large.

The provincial government must have an overall policy that unites several ministries in a common strategy to address the needs of economically disadvantaged people. That policy must translate into an understandable and consistent plan for each of the province's areas and regions.

The implementation of new provincial policies and programs should be preceded by consultation with all delivery partners; the various agencies and levels of government must function within a common planning process. Business and labour must work together to develop employment programs at the community level, and the voluntary sector must be a full and valued participant. The present system has not sufficiently developed these essential links.

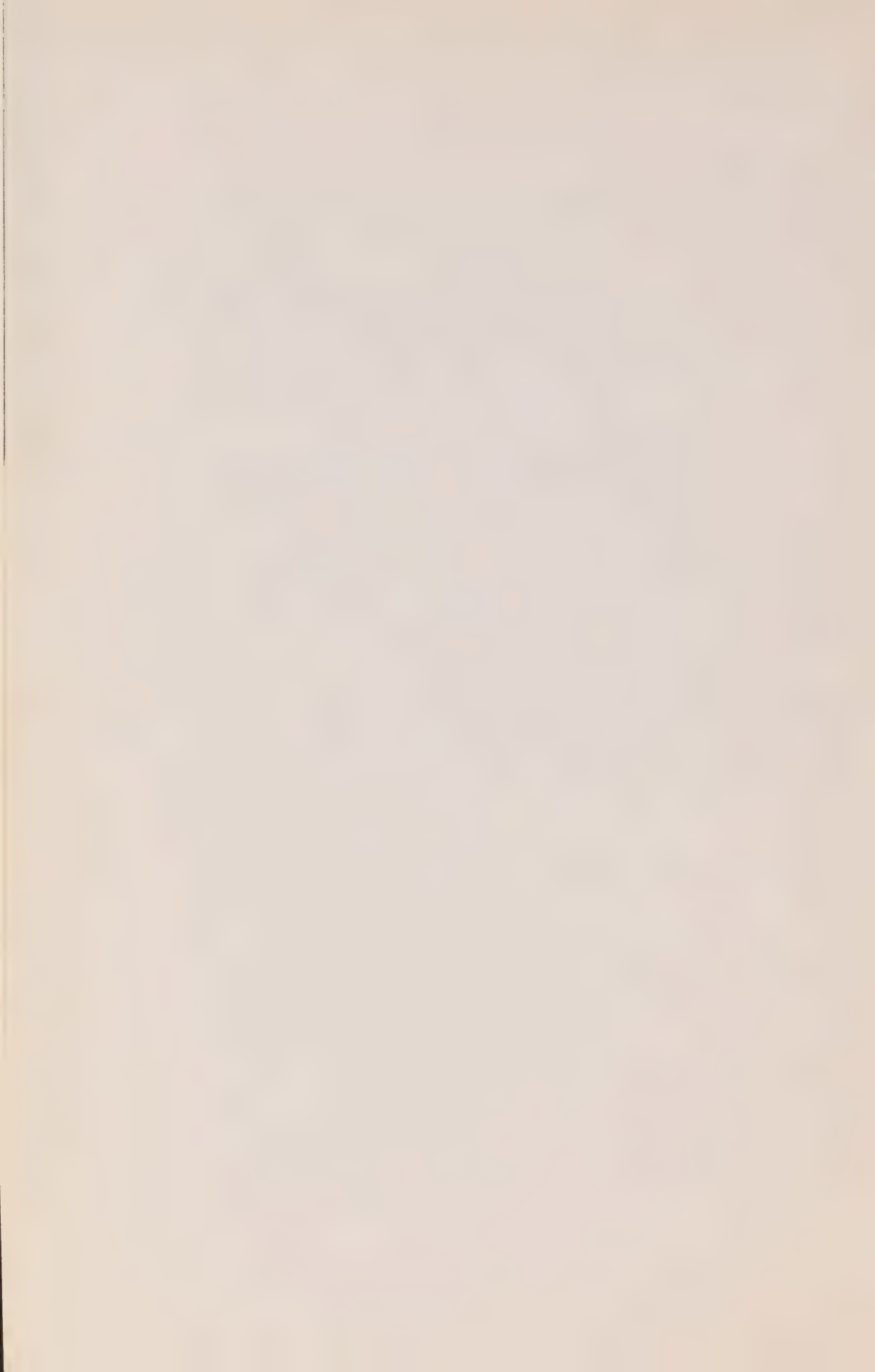
PRINCIPLES FOR REFORM

The key to preventing individuals from becoming dependent on assistance lies in other areas of social and economic policy. We must recognize the direct association between social assistance and *federal* tax, employment, and labour adjustment systems; *provincial* health, education, and training systems; and *community*-based services. The social assistance system must become a forthright advocate of preventive policies for those at risk. Further, it must help to create a broad public understanding of the needs of those who live in poverty. Without this understanding, the chances of real reform remain slight.

BALANCING COMPETING PRINCIPLES

Principles are rarely absolute and they often come into conflict. Throughout the report we have attempted to be clear about the choices we have made where such conflict arises. For example, we see the transition objective as paramount. This has led us to make recommendations that preserve short-term inequities, in order to facilitate transition for those with greater resources available to them. We have placed the needs of the individual at risk within the family ahead of the family itself. Wherever possible, however, we have sought middle ground that reflects the essence of our proposed principles.

Public discussion of these principles in the context of proposed reform, combined with a willingness to be clear about the choices being made when principles conflict, and a commitment to evaluate and reconsider them on a regular basis, will help ensure that they become more than descriptions of an ideal world we only hope for but never really intend to create.



2

SOCIAL ASSISTANCE IN ONTARIO

Ontario's social assistance system is governed by two major pieces of legislation, the General Welfare Assistance Act (1958) and the Family Benefits Act (1967). Neither of these laws has been significantly changed in more than twenty years.

General Welfare Assistance (GWA) is administered primarily by municipalities and Indian bands. It is intended to provide income support to applicants and their dependants who are in short-term or emergency need. The amount of the benefit varies with factors such as family size. Applicants considered to be employable must be ready and available to work in order to receive assistance.

The Family Benefits program (FBA), which is administered by the province, is intended to provide income assistance to people more likely to have long-term financial needs, such as adults with disabilities and their dependants, and sole-support parents with little or no wage income and their children. In general, people receiving FBA must first apply and qualify for GWA.

Both GWA and FBA recipients have access to two other sources of income from the social assistance system. Special Assistance and Supplementary Aid provide for extraordinary and one-time emergency needs not covered by basic assistance levels.

In order to receive assistance, applicants must meet the eligibility criteria for one of 22 different categories of people in need. They must then submit to a financial test, using the "budget deficit" method; the level of benefits applicants receive is determined by establishing how much they need and then subtracting their income from other sources.

GWA was initially intended to serve primarily an employable population whose need for financial assistance was temporary. FBA was targeted towards those considered to be outside the labour force and in need of long-term assistance. The two-tier system has evolved in such a way, however, that the GWA program includes a number of people with long-term illnesses and little immediate prospect of employment, while FBA includes many single parents and people with disabilities who are able to move into the labour force.

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Who Receives Benefits?

In 1987/88, more than half a million people in Ontario were beneficiaries of social assistance; the system consumed a total of approximately \$1.9 billion of federal, provincial, and municipal money. Despite its size, it is among the least understood of all social programs. The public's perceptions are at odds with the reality of social assistance in the 1980s. Four common misperceptions are described below.

"Most people who get welfare are adult men who could work if they had to."

Employable but unemployed working-age adults represent fewer than 14% of all beneficiaries of social assistance. People with disabilities and sole-support families are by far the largest groups of recipients. The method used to compile social assistance statistics also masks one startling fact: 37% of all beneficiaries of social assistance – 205,000 people – are children under 18.

"Most poor people are on welfare."

The majority of Ontario's poor people receive little or no income from social assistance. A substantial proportion of poor people receive most of their income from employment.

"All welfare recipients live in publicly subsidized housing."

Only about 18% of all beneficiaries of social assistance live in accommodation where the rent is geared to income. The vast majority must compete in the private market to find accommodation that is adequate, available, and affordable.

"Once they start to collect benefits, most people never leave the welfare rolls."

Social assistance recipients leave the system more frequently and more quickly than most people realize. Employable recipients remain dependent upon assistance for an average of seven months; 40% leave the system after three months. Single parents average between three and four years on assistance, and the average stay for recipients with disabilities is only slightly more than five years. The statistics indicate quite clearly that for the majority of recipients, social assistance meets a temporary need often created by a life crisis.

The public lack of understanding of who receives social assistance and why is a

SOCIAL ASSISTANCE IN ONTARIO

serious problem that must be acknowledged and rectified if the reforms we propose are to receive the public acceptance they require in order to succeed.

Public misunderstanding may result, in part, from significant changes in the social assistance caseload since 1969. Economic change, especially as it affects the rate of unemployment, has a direct impact on the caseload. Not surprisingly, the 1981-82 economic recession, which caused a massive increase in unemployment, also resulted in a large increase in the number of recipients who were employable but unemployed. Although the unemployment rate has dropped significantly since the recession, it has not yet been mirrored by a decline in the number of people receiving assistance.

Changes in other social programs have also significantly affected the composition of the caseload. For example, 20% of FBA recipients in 1969 were over 65. Improvements in other income programs for seniors reduced that proportion to about 1% by 1987.

Several other trends have characterized the social assistance caseload since 1969. For example, it has grown steadily, partly because of increases in the general population and partly because of a combination of economic and social factors. Nevertheless, the proportion of Ontario's population receiving social assistance has remained relatively constant at approximately 5%, although it has ranged from 4.3% in the late 1970s to 5.6% in 1987.

People with disabilities represent approximately 32% of the total caseload. The growth in this group results from a combination of factors including deinstitutionalization, advances in medical science, and a lack of specialized services to support employment. Another 30% of the caseload is made up of single parents. They represent a growing proportion of FBA recipients, having increased from 33% in 1969 to 41% in 1987. In part, that increase can be attributed to the fact that the elderly now represent a much smaller proportion of FBA recipients. The growth may also be explained by the increase in divorce rates, the significant jump in the number of unwed mothers who are keeping their babies, and the increased availability of services and supports that assist women and children to leave abusive family situations.

One of the fastest-growing groups of social assistance recipients is made up of those who are employable but unemployed. In large part, this growth can be attributed directly to increases in the national rate of unemployment. Nevertheless, recent reductions in Ontario's unemployment rate have not reduced the number of employable recipients, because these recipients lack the skills required in the post-recession economy, and because they must compete with people from other provinces who have come to Ontario looking for work. A review of new GWA recipients in Metropolitan Toronto in 1987 discovered that almost two-thirds were from other

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jurisdictions. An especially disturbing aspect of the growth of employable recipients is that young single people with limited education, few skills, and little work experience account for most of that increase.

Poverty in the 1980s

Not all poor people receive social assistance but all social assistance recipients are poor. Attacking the root causes of poverty must be seen as a crucial part of social assistance reform.

Although poverty was not eliminated during the 1970s, there was modest but continual progress in reducing the rate of poverty. Much of that progress was wiped out by the recession of the early 1980s, which resulted in significant increases in poverty rates in Ontario. Fortunately, the economic recovery was reflected in a sharp decline between 1984 and 1986 in the number of families and single people in Ontario living in poverty. The 1980s have provided ample evidence of the extent to which poverty is influenced by changing economic conditions.

Unfortunately, the recent decrease in poverty did not alter several disturbing features of the population living in poverty. For example, to be a woman raising children alone continues to be a strong predictor of poverty. The poverty rate for female-led single-parent families in Ontario is still in excess of 50%. And, most disturbing of all, children continue to represent a large number of the victims of poverty. As of 1984, 16% of all children in Ontario were in families living in poverty.

Two factors are especially significant in perpetuating poverty for social assistance recipients: the inadequacy of benefits and the lack of affordable housing.

The current system is completely devoid of any clear, logical, or consistent rationale for setting benefit levels. Differences in benefit levels among the 22 categories of eligibility bear no relation to the actual cost of meeting people's needs. Rather, they reflect antiquated and value-laden views that define the poor as being "more deserving" or "less deserving" of help.

This lack of rationale has resulted in a system that leaves many social assistance recipients with incomes that are insufficient to meet their basic needs. Comparison of the incomes of social assistance recipients with any of the commonly used definitions of poverty indicates that all recipients have total incomes below the poverty line. Some recipients, in fact, have incomes that are 50% below the poverty line.

The second major factor contributing to poverty in the 1980s is the severe lack of affordable housing. Only about one-sixth of recipients live in publicly subsidized, rent-geared-to-income housing. Many recipients, especially those in large urban areas, often spend between 40% and 70% of their benefits on shelter.

SOCIAL ASSISTANCE IN ONTARIO

THE WORKING POOR

There is evidence to suggest that the working poor represent a growing proportion of the labour force. Between 1980 and 1984, average incomes of the poorest 20% of Canadian households declined by 8% to 10% relative to those of the wealthiest households. Another contributing factor to the growth in numbers of the working poor is the decline in gross income from employment at the provincial minimum wage, which has lost about 20% of its value since 1979.

Not only are the working poor hardest hit during times of high unemployment but, because of low education and limited skills, they may not benefit to the same extent as other workers when unemployment declines. Technological change is reducing the number of blue-collar jobs. Because many workers who hold these jobs lack the basic education to be trained for new jobs, they often have no option but to accept less skilled and lower-paying jobs.

The continued existence of a large and probably increasing number of working poor bears directly on the prospects for change to the social assistance system. At present, the working poor derive very little benefit from the system. If improvements are made to social assistance without providing comparable help to the working poor, reform efforts will prove self-defeating. They will increase the disincentives for recipients to move into the labour force as well as increasing the incentives for people who are working to leave their jobs in order to collect social assistance.

The Modern Welfare State

In order to propose realistic solutions to the problems of the existing social assistance system, it is important to consider the system's history and context.

Today's social assistance program has evolved over the past 380 years since the Elizabethan Poor Law was enacted in 1601. A variety of influences have produced the income security system we see today in Canada. Periods of major social and economic upheaval, such as World War I, the Great Depression, and World War II, as well as the separation of powers between federal and provincial governments as set out in the Constitution, have greatly influenced the scope of these programs and the manner of their delivery. Some of the values that form the basis of the modern welfare state have undergone significant changes over time, but others have remained as parts of a legacy carried forward for centuries without consideration of whether they remain relevant.

One of the most significant aspects of the evolution of social assistance is that rather than being virtually the only social program, as it was in the past, it is now one of many. The growth of the modern "welfare state" has resulted in the implementation of a variety of other social programs that provide income to people in need,

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including family allowances, the child tax credit, unemployment insurance, the Canada Pension Plan, and workers' compensation, among others. In the income security system as a whole, social assistance is a relatively passive actor. Other income security programs establish their own policies with respect to entitlement and benefit levels. The social assistance system serves as a residual program that attempts to catch those who fall through gaps left by the other programs.

The social assistance system represents a relatively small proportion of total spending on income security programs and a very small portion of total public spending. In 1985/86, spending on social assistance in Ontario accounted for only about 10% of total spending in Ontario on income security. By comparison, income support for the elderly amounted to almost half of all income security expenditures. Social assistance expenditures account for only about 4%-5% of Ontario's total budget and consume less than 1% of the province's gross domestic product.

The Focus for Reform

The need for reform of social assistance is clear. We believe that reform efforts should focus upon resolution of the following major problems.

LACK OF DIRECTION

The present system is not guided by clearly stated policies and objectives, making it impervious to careful analysis; therefore, its effectiveness is difficult to measure. Moreover, there has been a failure to address the changes to the broader income security system and to related policies and programs that would make social assistance the truly residual program it was intended to be.

INADEQUACY OF BENEFITS

Measured against its traditional care-based purposes, the program is seriously flawed. No logical or rational method of establishing benefit levels exists, resulting in benefits that fall well below any poverty line. The heavy reliance upon discretion in the granting of benefits and the serious province-wide housing crisis compound the problems recipients face. One result has been the emergence of a secondary welfare system, with voluntary organizations increasingly taking on a role that they did not want and that is not appropriate for them.

DISINCENTIVES TO TRANSITION

Measured against the goals we would set for it, the program is even less successful. Major financial disincentives face recipients who wish to leave social assistance. Services to help recipients find and keep jobs and other services that make transition

SOCIAL ASSISTANCE IN ONTARIO

possible are not easily identified and are often unavailable. Many recipients become trapped in dependency, even though they neither want nor need to remain on social assistance.

LACK OF HARMONIZATION AND CO-ORDINATION

The rules and regulations of social assistance and other policies that support those who work, such as the minimum wage, are not harmonized in a way that encourages transition from assistance to employment. A similar lack of harmonization is found in those social and tax programs that have the same clientele. Nor is there any effective mechanism to plan and co-ordinate the efforts of governments and others to serve the economically disadvantaged. As a result, programs intended to benefit social assistance recipients and other low-income people often work at cross purposes and end up being ineffective and even counter-productive.

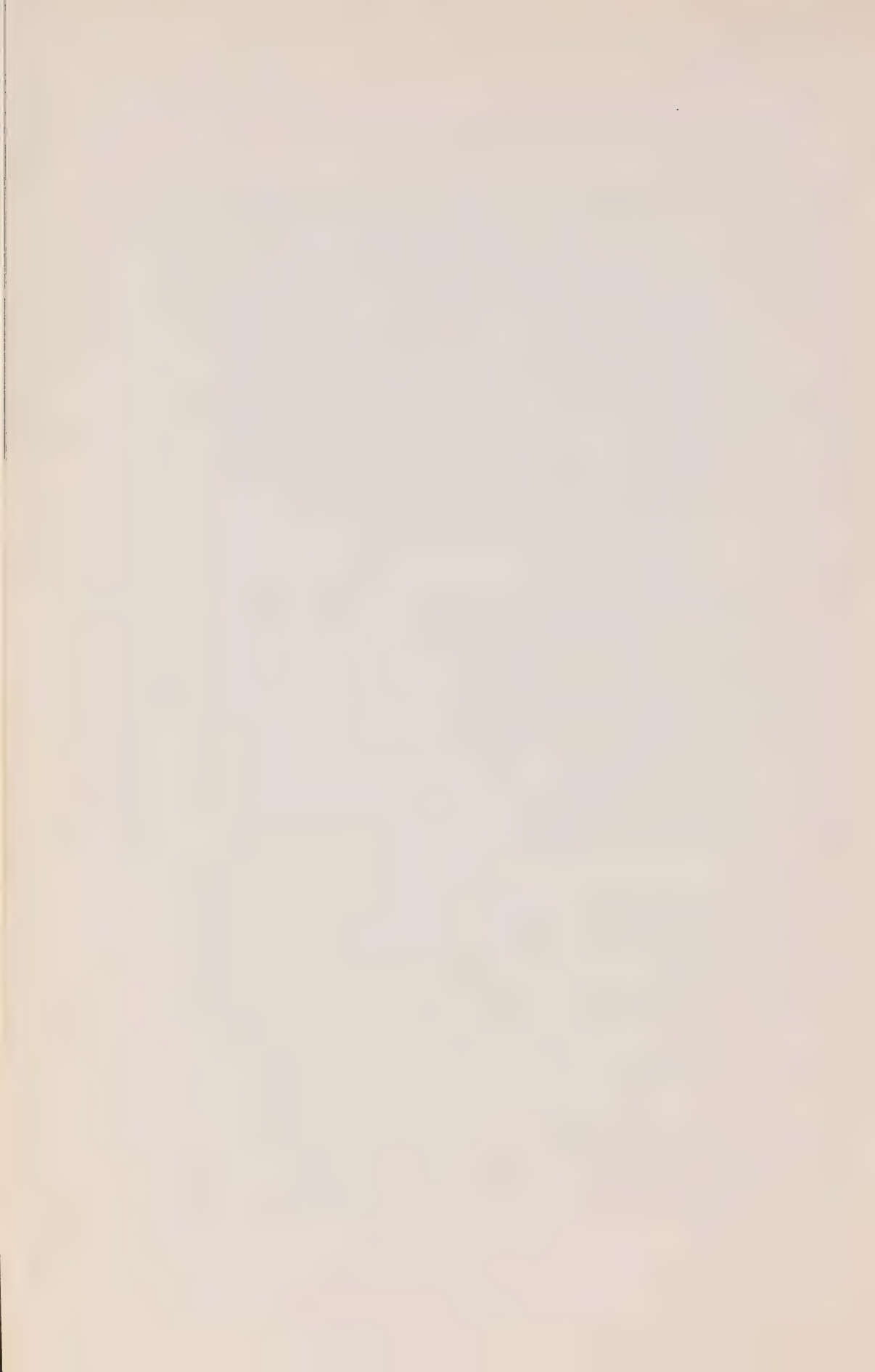
COMPLEXITY AND UNFAIRNESS

The present social assistance system is highly complex, adversarial in its approach, stigmatizing, and inequitable. Many of its rules and procedures violate basic individual rights and principles of fairness. The division of the caseload and of program and funding responsibility between two levels of government, coupled with the emphasis upon categorical distinctions between recipients and the high degree of discretion exercised by staff, means that significant disparities exist in the help available to people in similar situations. The result for many recipients is that the system becomes a barrier to transition rather than a means of facilitating it. The result for staff, already burdened by heavy workloads and unclear roles and responsibilities, is a much reduced capacity to offer effective help to recipients.

MARGINALIZATION

The system isolates recipients; they feel powerless and see themselves as set apart, rather than as members of the broader community. This sense is reinforced when many of the services they need are provided to them separately rather than through the mainstream programs available to the public as a whole.

The problems confronting Ontario's social assistance system are such that a major restructuring is required. Tinkering will no longer suffice. To be effective, such reforms must be accompanied by significant changes to other elements of the income security system and supported by reforms to a broad range of programs required and used by social assistance recipients.



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Having recognized the need for fundamental reform of the social assistance system, we developed a broader vision of new, more effective, and more humane approaches that should be implemented in the long term to help people in need. This vision also guided us in developing recommendations for changes in the short term. It should serve as a reference point or guide in the implementation of our recommendations, and as a benchmark against which the results of reform can be measured and evaluated.

The future we envisage would result in a social assistance system that is radically different from what we now know as GWA and FBA. Far fewer people would receive social assistance because the income needs of many present recipients would be met in other ways by other programs; the needs of children and people with disabilities would be met by income security programs other than social assistance.

Broad Policy Reforms

A principal goal of reform must be to ensure a more thorough integration of economic and social policy. Identifying the social impact of economic policy initiatives and the economic implications of social policy measures should become an integral part of the policy-making process.

Employment and labour market programs, for instance, have both economic and social implications with direct consequences for social assistance. A job is still the preferred form of income security and it is one of the primary ways in which individuals become integrated into and participate in the life of their community. A new approach to helping people in need would necessitate an ongoing effort to ensure that there are sufficient numbers of safe, meaningful, and fairly compensated jobs. It would also require fair and equal access to job opportunities and supports for working parents that would better enable them to balance their family and work responsibilities.

The evolution of a new approach to social assistance should also be comple-

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mented by improvements in education and skills training and retraining programs. For example, we recommend the development of more initiatives that would encourage students to stay in school by enabling them to combine academic studies with on-the-job experience. We also envision a far more efficient and effective training system, one that provides more tangible incentives to participate in training, better co-ordinates existing training programs, and ensures the availability of training supports like child care.

Recent initiatives by governments to reform the tax system have highlighted the extent to which taxation and income security programs are interwoven. All too often they work at cross purposes to create a poverty trap. Future tax reform efforts should harmonize the tax and income security systems so that improvements in income support programs for the poor are not offset by increased taxes.

Reforms and improvements in the health field must also be seen as initiatives that support our new approach to helping. In particular, we envisage a system that improves access to health care and health promotion opportunities and that increases the control that people exercise over their own health by providing them with needed information.

One area of public policy with particularly significant implications for social assistance is housing. Our public hearings confirmed that the problem of inadequate benefits was almost invariably linked to the lack of affordable housing. There is no question that the success of the reforms we are suggesting will demand a major, two-pronged attack on the housing problem. We anticipate the development of a formula that will compensate recipients, within reason, for the actual shelter costs they incur. In addition, we recommend a variety of creative programs to increase the supply of housing.

Income Security Reforms

We envisage major changes in the income security system to complement those that must be made in the social assistance system.

GUARANTEED ANNUAL INCOME

Whenever the possibility of income security reform is contemplated, the notion of a guaranteed annual income is invariably mentioned. We, too, considered the feasibility of a GAI as a means of resolving problems in social assistance.

Although the notion of a guaranteed annual income is far from new, there is very little consensus about how such a program would actually work. This lack of common definition stems from the fact that the term "guaranteed annual income" refers more to a concept than to a precise construct. In its purest form, a GAI would

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probably entail the guarantee of a basic level of income to every man, woman, and child. An income test would be used to determine eligibility so that only those below a certain level of income would derive a net benefit. It would probably be a national program delivered through the tax system by way of a negative income tax, taking the place of most other social programs including social assistance.

The committee has serious reservations about a “pure” guaranteed annual income program. For example, those with specialized income needs may be poorly served, because a GAI is unable to distinguish between beneficiaries who have differing needs. Nor does a GAI incorporate strategies designed to assist recipients to take advantage of opportunities to become self-reliant. Introduction of a GAI may also spur calls for abolition of other social programs that have legitimate but different policy objectives. Finally, the resources required to implement a GAI may divert attention from efforts to maintain high levels of employment, which we believe to be the best method of providing income security and of facilitating full participation in the life of the community.

Although we have concerns about its feasibility, we fully support the objectives of a GAI. We simply believe that there are other ways to achieve those objectives. For example, we envision the implementation of a new disability income program, a new children’s benefit, and a new income supplementation program. Collectively, these measures could achieve the objectives often ascribed to a GAI: the establishment of a minimum income floor, the reduction of stigma, more efficient social programs, and support for the working poor.

A DISABILITY INCOME PROGRAM

The present approach to providing income to people with disabilities is costly, complex, unjust, inequitable, and in need of complete restructuring. As one element of reform, all disabled people should ultimately be removed from social assistance. This could be accomplished by creating a two-part income support program for people with disabilities.

One part would be a comprehensive disability insurance program, which would provide benefits for disability due to accident, illness, or injury. This approach would rationalize many existing disability income programs like workers’ compensation and the disability component of the Canada Pension Plan.

Disability insurance could be financed by a variety of levies, including premiums for both employees and employers. The level of benefits would be based on a proportion of an individual’s earnings prior to becoming disabled.

Ideally, such a program should be national in scope and publicly administered. Costs could be controlled by such measures as limiting coverage to those who are

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disabled for a prolonged period of time.

The concept of disability insurance has been studied recently by a federal-provincial task force. The experience of the New Zealand government, which implemented such a program, suggests to us that with additional controls it is technically feasible and politically viable.

However, there will always be people who will not be entitled to draw benefits from disability insurance because they did not pay into the plan. Most social assistance recipients are in this position. A complementary benefit would have to be implemented to meet the income needs of those people with disabilities who would receive little or no income from disability insurance.

A disability benefit would ensure a basic level of income to all people with disabilities who have little or no income. It should provide parity with old age security and the guaranteed income supplement, which provide income support for elderly people.

The disability benefit and disability insurance should be co-ordinated as much as possible. A similar definition of disability should be used, for example. And, as an adjunct to both income programs, an extensive system of services and supports should be available to people with disabilities to enable them to be as self-reliant as possible and to participate fully in the life of the community.

A CHILDREN'S BENEFIT

Although there are a number of existing income programs that benefit children, the rate of poverty among children is unacceptably high. Living in poverty, especially in families receiving social assistance, can have a tremendous physical, emotional, and social impact on children.

We believe most existing child benefits could be rationalized into a single integrated children's benefit. It might best be delivered through the income tax system as a refundable tax credit. The amount of the benefit would be based on a sliding scale, depending on family income, but it should increase substantially the total amount of benefits currently available to low-income families. We have proposed one possible design, which would result in a maximum benefit of \$3,300 per child per year (in 1988 dollars). The goal of such a benefit is not simply to eliminate the need for children to receive income from social assistance; it should also result in a guarantee of a level of income adequate to ensure that no child in Ontario or in Canada would live in poverty.

INCOME SUPPLEMENTATION

A third major reform to the existing income security system would create a new

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program to supplement the wages of low-income workers. We believe that efforts to develop an income supplementation program can and should be initiated immediately. Our proposal is described in greater detail in Chapter 6 of the report.

An income supplementation program would address one of the major shortcomings of the current income security system: relatively little assistance is provided to poor people who are in the labour force. This anomaly results in inequitable treatment of the working poor, as compared with some people who receive social assistance. It can also create strong disincentives for people receiving assistance to move into the labour force, which in turn reinforces dependence upon social assistance. A program of income supplementation would need to be harmonized with the new children's benefit as well as with the new disability income program.

Together, these reforms would significantly reduce the number of people requiring social assistance. Furthermore, the content of the new social assistance system would be very different from that which now exists. The balance of this report focuses upon changes to social assistance and related programs that will lay the groundwork for the new income security system we envisage for the future.



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THE BENEFIT STRUCTURE

Simply stated, the term “benefit structure” answers the question: Who gets what? The benefit structure determines who is eligible for social assistance, how the benefits are calculated, the amount of the allowance, and the manner in which it is paid. The committee believes that major change must occur in the way these questions are answered, before the broader reforms that will ultimately reduce the size of the social assistance system.

If there is one principal explanation for the complexity of the benefit structure, it is that there has been no overall rationale to serve as a framework for decisions about benefits. While each of the policy decisions that collectively have produced the present benefit structure has a history, what has been absent is an overall set of objectives or goals to guide decision-making.

The result is a system of benefits that virtually everyone agrees does not meet the real financial needs of most recipients. Eligibility rules exclude applicants for reasons unrelated to need. The two-tier system and a highly complex system of categories and sub-categories have together resulted in unjustifiable inequities in benefits, a perception that

some recipients are more deserving than others, and a reinforcement of stigma and a feeling of powerlessness among recipients. Benefits are calculated in ways that discourage family formation and make the transition to self-sufficiency harder to achieve. No definition of adequacy is reflected in the payments, and many essential benefits are available only at the discretion of those providing them. As well, the system cushions recipients poorly against the loss of in-kind benefits when they leave social assistance.

Comprehensive reform is required to transform the benefit structure into one that reinforces the goal of assisting and encouraging recipients to move from dependence and exclusion to self-reliance and active participation in community life. It is especially important that the policies guiding such reform be clearly stated and

It is time to realize that the poor are neither “worthy” or “unworthy”, they are simply poor.

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explicitly tied to the principles we have articulated.

A Unified System

The two-tier system may have been appropriate twenty or thirty years ago when there was a clearer distinction between those recipients who were expected to move quickly into the labour force and those who were not expected to work. It should be abolished and one unified benefit structure developed in its place, through a merger of the Family Benefits Act and General Welfare Assistance Act into a new Social Assistance Act. Distinctions between short-term and long-term rates that are based upon categories, rather than upon the actual needs of recipients, should be eliminated.

Eligibility and Categories

Lack of need ought to be the only reason for the denial of assistance, unless there are clear and justifiable reasons why other criteria ought to prevail. Among those who should no longer be viewed as automatically ineligible for benefits are the self-employed; persons without an address; refugee claimants with visitor status; children not attending school; and 16- and 17-year-olds living outside the family home.

The current system has 22 categories of eligibility, numerous sub-categories, and a number of factors that create further distinctions within categories. The result is a maze of rates and rules. A single mother with one child may receive any one of 36 different rates. The categorization of recipients on the basis of differences in need is justifiable and desirable; however, it is clear that Ontario's categorical structure reflects value-laden judgements about recipients and contributes significantly to the stigmatization of those deemed "less worthy".

We believe that the number of categories should be reduced to three: handicapped persons, people in need who must respond to an offer of opportunity planning, and people in need who are encouraged but not required to respond to an offer of opportunity planning. To achieve this involves identifying the often minor rules that now distinguish one category from another and making changes to ensure consistency in such matters as level of allowance, asset ceilings, earnings averaging periods, level of allowable earnings, waiting periods, and amount of discretion.

Definitions of Disability

Since a separate category will exist for persons with disabilities, in recognition of their greater needs, a definition of disability is required. The number of disabled persons in the caseload is increasing dramatically even though current definitions

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are criticized as unclear and unfair. Transforming any set of criteria into a viable definition is, of course, a difficult and elusive task. There is a growing recognition that the determination of disability has a subjective element, regardless of the particular definition and procedures adopted. Within Ontario's current social assistance system, the problem is compounded by the fact that a disability must be deemed permanent in order for an applicant to receive benefits; as well, a recipient labelled "permanently unemployable" then appears to be ineligible or unsuited for vocational rehabilitation services.

Higher rates for disabled people create enormous pressure for applicants to meet the disability definitions. The system relies excessively upon clinical judgement, with no built-in mechanism to evaluate relevant non-medical factors.

A new definition – "handicapped person" – should be introduced that makes use of the World Health Organization's nomenclature and defines eligibility in terms of losses or abnormalities (impairments), inability to perform activities (disabilities), and inability to perform roles (handicaps). Clinical judgement should focus upon those issues that require a medical opinion. It should no longer be necessary for an applicant's condition to be permanent before he or she can receive benefits, and non-medical factors should also be evaluated. The definitions of handicap (or disability) in social assistance and in those programs offering vocational rehabilitation services should be the same, so that recipients have easy access to programs that identify their aptitudes and assist them to obtain the services and supports they need.

Foster Parents' Benefit

The foster parents' benefit (also known as the foster care program) should continue as an important family support program. Special measures to monitor the care received by children for whom the benefit is paid are unnecessary, although steps should be taken to ensure Children's Aid Society involvement when it is required. While a rationale exists for higher foster care rates within the child welfare system, social assistance rates for children and the foster parents' benefit should be uniform and adequate.

The Handicapped Children's Benefit

The Handicapped Children's Benefit should be merged with the Special Services at Home Program and expanded to cover all handicapped children, to ensure that families have the support they need to provide for their children at home. This program and the foster parents' benefit should be provided through separate legislation such as the Child and Family Services Act.

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The Benefit Unit

The benefit unit is the person or group of persons on whose behalf a benefit is paid. Each recipient's financial need is assessed in this context. In the past, the system has relied upon the traditional definition of the family for this purpose, imposing family-based rules from the moment a couple began to live together. In an earlier report, we supported the removal of the so-called "spouse in the house" rule as discriminatory, intrusive, and unfair. At the same time, we have rejected a totally individual-based benefit unit as prohibitively expensive and inconsistent with the principle of need. We have endorsed a definition of the benefit unit that reflects support obligations between individuals as defined by family law. However, such a definition of the benefit unit must not create disincentives to the formation of families. Thus, for example, we recommend that a couple receive the same benefits as two individuals.

Financial Testing

Needs testing should be retained as the system's method of testing the financial position of applicants. It is the best means of ensuring that the varying needs of applicants and their families are met.

The present system takes a narrow view of the assets and income that recipients may retain, in the belief that social assistance is the program of last resort and should be looked to only when individuals have substantially exhausted their own resources. A new approach is required that supports the efforts of recipients to make the transition to greater self-reliance.

We propose the relaxation of rules related to asset ceilings, disposal of assets, the definition of liquid assets, and the right to save and to receive modest inheritances and certain gifts. Income rules as well must be clarified; for example, sponsored immigrants should not be denied assistance or have their benefits reduced because of income promised to them under sponsorship agreements that they have no means of enforcing. We were unable to decide whether recipients should be entitled to retain some of the money they receive in support payments.

As well, the government should seek methods of harmonizing different needs tests used in different programs, such as child care, legal aid, and rent-geared-to-income housing, with a view to eliminating the financial hardship that can occur when programs work at cross purposes.

Adequacy and the Allowance Structure

The issue raised most frequently during the committee's public hearings was the

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amount of money provided to recipients of social assistance. In almost all cases, people argued that the amounts were inadequate. As one recipient said, "There is always too much month left at the end of the money." We agree: by all measures of adequacy, the present allowances are insufficient.

We have proposed a steady move to adequate rates for all recipients. Of greatest importance is the introduction of a measure or definition of adequacy that is clear, understandable, and publicly available. No measure will ever be totally objective, but once one is adopted, the government can be held accountable for the essentially political decisions that establish rates and other related policies.

The committee examined a number of different measures of adequacy, including poverty lines, market baskets, and expenditure patterns. We propose a relative approach: a definition that will base the level of benefits on community norms and standards. The market basket method should be used, with reference to expert opinion and expenditure patterns.

The move to adequacy must be harmonized with measures to ensure adequate incomes for the working poor and appropriate incentives to help recipients move from social assistance into the labour force. Both the definition of adequacy and the rate-setting process should be established in legislation, along with a public process by which the market basket definition and existing rates are periodically reviewed.

The current treatment of shelter costs in the benefit structure is nearly incomprehensible. Shelter subsidies should be redesigned to allow the shelter expenses of recipients to be reimbursed fully up to an established ceiling based upon average costs within the community in which the recipient lives. Additional assistance should also be provided to boarders, and the discriminatory distinction between rates paid to profit and non-profit boarders should be eliminated.

Special problems are faced by those living in institutions. Steps should be taken to dissociate institutional funding and charging policies from the rate-setting process and to provide a personal needs allowance (now called the comfort allowance) that is uniform and adequate for all persons in institutions.

The market basket approach should be implemented in a manner that enables recipients to achieve what we have called "frugal comfort": basic needs should be met, with some provision for goods and services that reduce stigma and help recipients to increase their capacity for self-reliance and participation in the community. Persons with disabilities should continue to receive a flat-rate supplement, rather than being required to apply separately for reimbursement for each special item related to their handicapping condition.

Many needs now met only on a non-mandatory or discretionary basis are in fact

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basic needs and should be provided as of right. The existing distinction between mandatory and non-mandatory benefits creates unacceptable disparities in the benefits received by recipients in similar circumstances. Items such as rent and fuel deposits, gastro-urinary supplies, dentures, bandages, and moving expenses are simple necessities and payment for them should not be subject to discretion. In the longer term, many special needs, such as those relating to health care, should be funded through programs directed at the broader population and not just at those receiving social assistance.

In-Kind Payments

The assistance provided to recipients should continue to be a combination of cash and in-kind benefits, which range from eyeglasses and prescription drugs to child care. In-kind benefits will be provided uniformly once the present FBA and GWA benefit structures are merged, thus eliminating unacceptable distinctions that now penalize those in the municipal program. In-kind benefits should not be delivered through voucher systems, which are administratively complex and highly stigmatizing.

The so-called “notch” effect, caused when all benefits, including in-kind benefits, terminate at the same time, can cause severe financial hardship to those attempting to leave social assistance. In the short term, in-kind benefits should not be terminated until the recipient’s earned income is high enough to cover the average cost of these benefits. In the longer term, the impact should be eased by making many of these benefits available to recipients and the working poor through programs delivered through mainstream jurisdictions.

RECOMMENDATIONS

1. The Family Benefits Act and the General Welfare Assistance Act should be merged into one piece of legislation, with one benefit structure that covers all social assistance recipients.
2. Applicants 18 to 20 years old who are living in their family homes and are in need should be eligible for social assistance in their own right.
3. Applicants 16 and 17 years old who are living on their own should be eligible for social assistance, subject to a special approach to opportunity planning.
4. Refugee claimants in need should be considered eligible for social assistance without regard to their immigration status.

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5. The federal government should be urged to issue work permits to refugee claimants while the validity of their claims is being established.
6. With the new procedures envisioned by Bill C-55 in place, claimants should be eligible for social assistance on the basis of need, pending the first level of adjudication. If the matter then moves on to the second level of adjudication, eligibility should continue until a final determination has been made.
7. A child's failure to attend school should not be considered grounds for ineligibility.
8. With the possible exception of those involved in labour disputes, no resident of Ontario should be automatically ineligible for social assistance. Applications should be assessed on the basis of need alone.
9. In the short to medium term, the number of social assistance categories should be reduced to three:
 - handicapped persons;
 - people in need who must respond to an offer of opportunity planning;
 - people in need who are encouraged but not required to respond to an offer of opportunity planning.
10. A new definition – “handicapped person” – should replace the current definitions of permanent unemployability and disability. The new definition should endorse the concept that a handicapped person is one who is handicapped as a result of an impairment and a disability (as defined by the World Health Organization) for a prolonged period of time.
11. The Ministry of Community and Social Services should draft general standards and guidelines for the new definition, in consultation with the Ontario Medical Association and others.
12. The category of temporary unemployability for medical reasons should be eliminated.
13. The definitions of disability (or handicap) within social assistance and Vocational Rehabilitation Services should be the same.
14. To further promote congruence between the two systems, the second-residence benefit should be made available to all disabled recipients of social assistance in the same way that it is available to VRS participants.
15. The minimum age of eligibility for social assistance as a disabled person should be lowered to age 16.

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16. The foster parents' benefit should continue as an established family support program. The objectives and criteria for the program should be clearly established within legislation.
17. Special measures to monitor the care of children for whom foster benefits are paid are unnecessary. However, the government should take such steps as are necessary to ensure CAS involvement where serious concern exists about the care a child is receiving.
18. Foster care rates paid by the child welfare system should remain at higher levels to reflect the unique standards of care within that system. Social assistance rates and foster parents' benefits should be uniform and adequate. The present disparity in rates should be maintained until adequacy is reached, in order to maintain the role of the benefit as a family support measure.
19. The foster parents' benefit should be removed from social assistance legislation and authorized through child-based legislation such as the Child and Family Services Act.
20. The Special Services at Home program and the Handicapped Children's Benefit program should be integrated under the Child and Family Services Act, and the new program should be delivered as one program. The new program should be available to all handicapped children. The Ministry of Community and Social Services should proceed quickly to effect the integration of the two programs.
21. The Family Law Act definitions of "spouse" and "parent" should be used in determining the social assistance benefit unit.
22. A couple should receive the same benefits as two individuals.
23. In a one-adult family, the first child should receive the same benefit as the second adult in a two-adult family.
24. The rate structure for children should assign the same level of benefit to all children in a two-adult family and to all children but the first in a one-adult family, with further distinctions to be based only upon the children's ages.
25. Either spouse should have the option to be the applicant, according to the family's free choice. If the parties are unable to agree, the benefits should be evenly split between them.
26. Mothers under age 17 and disabled persons aged 16 and 17 who remain at home should be treated as individual applicants.

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27. If any benefit other than child support accrues to a child and is then set aside for the child's future needs, this money should not be treated as income to the family.
28. Financial testing should be liberalized to promote transition to stability and autonomy.
29. Needs testing should be retained as the principal method of financial testing. Efforts should be made to simplify the needs test and the application process.
30. Asset limitations should be immediately equalized for all recipients at the highest levels currently permitted. Negotiations should take place with the federal government regarding the subsequent raising of asset ceilings. An immediate increase should be granted in the allowable limits for everyone, by at least the amount of inflation since the last increase in 1981 (that is, a 50% increase as of 1988), subject to CAP approval.
31. A grace period of at least six months should be established within which those involved in opportunity planning should not be required to dispose of small business, farming, family, or other defined assets.
32. A flexible approach should be taken in defining a liquid asset. The current vague and variable treatment of assets should be replaced with a clear, available, and consistent set of rules.
33. Guidelines should be established to enable all recipients to save for needed assets beyond the asset limitation.
34. With the help of multicultural and Native communities, a set of guidelines and procedures should be developed for dealing with culturally important assets.
35. A second property owned by an applicant should not be grounds for automatic ineligibility, but should be treated as a liquid asset if in fact it can be sold and the proceeds received.
36. The rule relating to the disposal of assets for inadequate consideration should be amended to apply to transactions within a one-year period prior to the application for social assistance.
37. Small and moderate estates should be exempted from consideration as liquid assets, if the estate monies are used in accordance with an approved plan. Approval should be given to plans that use the estate to meet special health, social, or educational needs.
38. A clear, understandable, and available framework should be established for the treatment of

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income that explains and justifies four different approaches, depending upon the nature of the income and the reasons for its payment:

- unearned income: fully exempted
- unearned income: partially exempted
- unearned income: charged in full
- earned income (discussed in Chapter 6)

39. In the short term, clear rules should be developed exempting reasonable assistance from relatives and friends if this assistance meets needs not met by the present allowance.
40. When a person receives benefits from an earnings replacement program such as workers compensation while benefiting from social assistance earnings exemptions, the treatment of the earnings replacement income should parallel the treatment of earnings.
41. Clear policy should be established as to when resources are deemed to be available to a recipient.
42. Steps should be taken by the federal government either to enforce sponsorship agreements, or to ensure that they are enforced by the province, or to make them enforceable by sponsored individuals.
43. Sponsorship agreements should be reduced in length, preferably to five years or up to the date of citizenship, whichever is earlier.
44. Social assistance should be available to sponsored immigrants, on the basis of need.
45. Sponsored immigrants receiving social assistance should be asked to seek support to which they are entitled under family law. If a sponsored immigrant does not wish to do so personally, the government should exercise its right to seek support.
46. Clear rules should be established in regard to support obligations and the circumstances under which they should be enforced.
47. The treatment of farm income by the social assistance system should be rationalized by setting a farm income policy that allows farmers to stabilize their operations and explore other opportunities while maintaining eligibility for assistance.
48. The market basket approach should be used as the measure of adequacy for all items except

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shelter. Such an approach should incorporate reference to expert opinion and actual expenditure patterns.

49. The rate-setting process should be established in legislation, along with a requirement for legislative review of proposed changes. The legislation should require, at a minimum, yearly indexation of rates on the basis of the CPI. The statute should require a review of the market basket definition and existing rates every five years by an external committee that reports to a standing committee of the legislature.

50. The existing varying reimbursement “zones” should be abolished and actual shelter costs should be paid up to a ceiling. Shelter costs should include the full cost of hydro and fuel, and when the actual cost of home heating fuel or hydro exceeds the ceiling, these costs should continue to be reimbursed at 100%.

51. The actual average cost of shelter should be established as the shelter reimbursement ceiling. Such costs should be determined by reference to the CMHC Rental Survey.

52. To deal with regional variations, a core standard should be set for all of Ontario, with a second-tier subsidy for regions with higher costs.

53. As a beginning step, recipients should receive 100% of actual costs, up to a ceiling set at the upper end of the range of the current shelter subsidy.

54. To resolve the inequity between boarders and others in respect of shelter subsidies, a special benefit should be provided immediately to boarders to assist them with their hidden shelter costs, transportation, clothing, and personal needs.

55. The distinction between profit and non-profit boarding rates should be abolished.

56. Institutional funding and charging policies in residences under the Homes for Retarded Persons Act should be dissociated from the rate-setting process. Recipients in these homes should receive the rate that they would otherwise receive in the community, and any additional funding required by the institutions should be provided through the direct operating budget. Problems relating to cost-sharing should be dealt with in negotiations with the federal government regarding the Canada Assistance Plan.

57. No change should be made in the funding and charging policies in institutions for the aged.

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However, placements of non-aged people in facilities for the aged should be reviewed to ensure that such placements are appropriate for the individuals involved.

58. The comfort allowance should be renamed the personal needs allowance, to reflect its intended purpose.
59. The personal needs allowance should immediately be made uniform with the higher amount that aged people now receive, and should be paid at this level to all who are eligible for it. Clear guidelines should be established regarding what the personal needs allowance is intended to cover. It should not be used to pay for basic needs, which ought to be covered through the funding of the institution itself.
60. The personal needs allowance should be introduced in those institutions, such as psychiatric hospitals, where it is not now paid.
61. A "frugal comfort" approach should be taken to basic needs that includes recognition of the need to reduce stigma and enables recipients to integrate into the community, achieve self-reliance, and exercise choice.
62. The highest GAINS-D rates should be increased to the levels now paid under the GAINS-A program, until further work is done to determine an appropriate rate for the handicapped allowance.
63. Special needs, such as those related to health care, should be funded and delivered where possible through programs directed at the broader population.
64. When a special need is a prerequisite to meeting an individual's basic needs, it should be considered a mandatory benefit. Some funding should be available to meet special needs for items that are desirable but not necessary. Such items should continue to be handled on a non-mandatory basis.
65. Age-related distinctions among children should no longer be maintained in their present form. There should be only two rates: those for children 12 years of age and under, and those for children over 12.
66. The distinction between men and women aged 60 to 64 should be eliminated immediately. All age-related distinctions should be eliminated as the rate structure approaches the level of adequacy.
67. The rates for single unemployable and employable people should be equalized at the higher rate.

THE BENEFIT STRUCTURE

68. Regional rate structures should not be introduced, apart from those relating to shelter and the special allowance paid in the remote North.
69. In the short term, when calculating benefits, the average monthly costs of in-kind benefits should be added to the value of the benefit itself.
70. The government should seek methods of harmonizing different needs tests across different programs, with a view to eliminating the major discrepancies that result when the programs operate independently of one another.

OPPORTUNITY PLANNING AND HUMAN RESOURCES

This chapter considers the forms of assistance that should be provided directly by the social assistance system itself. The present system focuses upon delivering income and monitoring eligibility, with insufficient recognition that recipients are people in transition who may need and benefit from a range of social and support services. Most recipients do not receive the information and help they require to identify and take advantage of such services.

Staff within the system carry excessive caseloads and heavy workloads, which contribute to an adversarial relationship with applicants and recipients. New technology has in many cases increased rather than reduced workload. Staff responsibilities are not well defined, and there has been little analysis of the specific skills required. Role confusion develops when staff are asked to be, on the one hand, defenders of the public purse, ensuring that only those who qualify receive assistance, and on the other hand, counsellors and advocates for their clients. Over the past decade, the modest amount of training that staff do receive has declined, while the system has become increasingly complex. Staff morale is low and the quality of service has declined.

Recipients must be given the option of another way of life and the possibility of attaining it.

**Social and Family Services,
Sault Ste. Marie**

The current system places conditions upon recipients that are often unrealistic and unrelated to their circumstances. The rules vary by category of recipient and are markedly different from one municipality to another. Little emphasis is placed upon the system's obligation to provide the services that would enable recipients to meet the conditions imposed upon them.

A New Approach

We recommend the development of two primary and distinct but complementary functions in a restructured social assistance system.

One function, performed by the income support worker, will be similar to the

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present role of the income maintenance worker. Responsibilities will include determining eligibility, providing crisis intervention and emergency referrals, providing applicants with needed information about social assistance and about their rights and responsibilities, and making the important referral to opportunity planning, the next stage of the process.

Opportunity planning will be the system's other primary function. A skilled staff person and the recipient will develop a plan that identifies strategies to enable the recipient to leave social assistance or to live more independently in the community. It will require assessing the individual's skills, aptitudes, and aspirations and linking the recipient to appropriate services, programs, and supports. This form of assistance must become a required part of the restructured system. A number of successful programs, both in Ontario and in other jurisdictions, have included such an individualized planning component.

These two functions should be performed by two different workers. Some tasks and responsibilities should be shared to avoid the lack of co-ordination that can result if the roles are separated completely. For example, income support workers will provide limited opportunity planning for some recipients.

Opportunity planning must be tailored both to the needs of individual recipients and to community resources. Multi-service or other community-based organizations could serve as "opportunity centres" to increase local involvement and to ensure that recipients receive assistance through programs offered to the broader community.

In some cases, it will be more appropriate to deliver opportunity planning by adding to the resources of community-based organizations that have experience working with recipients with specific needs. A growing number of organizations work well with sole-support parents, such as those that provide comprehensive services to adolescent mothers and those that serve the victims of family violence. Young persons leaving home often leave behind serious family problems and are at high risk on the streets; organizations that are skilled at working with such youth and their families could provide effective opportunity planning. A range of agencies providing help to various cultural groups could deliver opportunity planning in ways that overcome the special barriers facing members of Ontario's multicultural communities.

The existing Vocational Rehabilitation Services program already provides a form of opportunity planning to some recipients with disabilities. With the changes we have proposed that will link social assistance and VRS more closely, VRS's role can be greatly expanded. Its mandate should include assisting those for whom employment is not a possibility.

OPPORTUNITY PLANNING AND HUMAN RESOURCES

CONDITIONAL ENTITLEMENT

Whether applicants should be required to meet conditions in order to receive benefits is one of the most complex and controversial issues to be addressed in any debate about reform of social assistance. Although most recipients will willingly choose to make the most of their opportunities, we have accepted that conditions should be placed upon some recipients, both to ensure that the system reaches those most at risk of long-term exclusion and dependence, and to reflect the mutual responsibilities and shared obligations of the state and the individual.

The vast majority of persons with disabilities will respond positively to offers of assistance. It is unacceptable to penalize those who, in the face of great obstacles, may be unable – through no fault of their own – to respond to efforts to help them become more self-reliant. There is substantial evidence that it is unnecessary to compel sole-support parents to participate in opportunity planning; as well, the imposition of sanctions in the form of reduced benefits would penalize their children. Those who are elderly or temporarily unemployable should be offered opportunity planning, but their participation should not be mandatory.

Other persons in need who are 16 to 64 years of age should be required to participate in opportunity planning as a condition of continuing to receive full benefits. The requirement to participate in opportunity planning should in itself be conditional on the provision of meaningful help by the government and on the establishment of procedures to protect the rights of recipients, including a grace period and the opportunity to challenge the content of the proposed plan. A special approach should be taken with 16- and 17-year-olds to ensure that they are quickly linked with those who have particular expertise in helping them and their families.

Human Resources

A number of measures should be adopted to recognize the pivotal role played by the staff of the social assistance system and to deal with the current crisis in human resources. Many of the changes proposed elsewhere in our report should aid staff in the performance of their roles, but more must be done.

We recommend the establishment of a joint municipal-provincial committee with responsibility for overall strategies for human resources development. The committee should be empowered immediately to oversee short-term changes in areas such as caseload and training and to lay the groundwork for our restructured system of social assistance.

The government should immediately develop interim caseload standards for

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front-line workers as proposed by the human resources committee. As part of the effort to meet these standards, extra staff should be hired so that relief workers can be provided when and where needed.

Standards for workload should also be established and implemented as soon as possible. A mechanism must be created to monitor and revise standards for both caseload and workload as necessary. The need for this mechanism will become urgent as the overall reforms we propose are implemented. In addition, the committee should assume responsibility for the development of job descriptions and the implementation of ongoing staff appraisals.

We have also proposed the creation of a joint municipal-provincial committee on training that could function as a sub-committee of the human resources committee. The training committee must have the responsibility and authority to develop a comprehensive training program for front-line workers, supervisors, and clerical staff.

As a first step, the committee should assess existing short-term training needs and suggest ways to improve training programs offered at both the provincial and municipal levels. For example, there is a need to improve the knowledge and skills required to interview and counsel those from various cultures. It must also begin to develop a program of training for the new staff roles and responsibilities in a restructured social assistance system. We suggest, in particular, early collaboration with Ontario's colleges and universities to develop curricula that better prepare students for work in this field.

Both those who receive and those who deliver social assistance have unique and valuable perspectives. We recommend that current staff members be actively involved in the design and implementation of both the immediate and the long-term changes required to human resources policy. Furthermore, the human resources committee should incorporate input from recipients as it designs and develops new approaches.

RECOMMENDATIONS

- 71.** Income support and opportunity planning should be instituted as separate but complementary forms of assistance that are integral to a restructured social assistance system.
- 72.** Opportunity planning should be a required part of a restructured social assistance system.
- 73.** Income support and opportunity planning, being related but separate functions, should be performed by different persons.

OPPORTUNITY PLANNING AND HUMAN RESOURCES

- 74.** Consideration should be given to using existing multi-service or other community-based groups as “opportunity centres” to deliver the opportunity planning program.
- 75.** Existing programs with specialized experience in helping recipients with specific needs should, where feasible, be given the option of serving as delivery agents for opportunity planning.
- 76.** Opportunity planning for recipients with disabilities should be delivered through the Vocational Rehabilitation Services program (vrs), with a formal linkage established between vrs and the social assistance system.
- 77.** The mandate of the vrs program should be broadened so that opportunity planning becomes available to all people with disabilities for the broader purpose of independent community living, including employment. The program should be renamed to reflect this change.
- 78.** Entitlement to benefits for recipients who are disabled, sole-support parents, elderly, or temporarily unemployable should not be subject to conditions, but these recipients should have access to and be encouraged to participate in the opportunity planning process.
- 79.** Recipients other than those who are disabled, sole-support parents, elderly, or temporarily unemployable should be required to participate in opportunity planning as a condition of receiving full social assistance benefits.
- 80.** The obligation to participate in opportunity planning should be conditional upon the formal offer of the assistance of an opportunity planner and must be accompanied by measures to protect the rights of recipients.
- 81.** The government should establish and maintain interim standards that govern caseload size for front-line workers in both the FBA and GWA programs.
- 82.** There should be an immediate increase in staffing to provide back-up or substitute workers when and where they are needed.
- 83.** The provincial government must establish workload standards and implement a mechanism to monitor both workload and caseload on an ongoing basis.
- 84.** A joint municipal-provincial committee on training should be established immediately to develop a comprehensive training program for supervisors, field workers, and clerical staff.

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85. A major effort should be made to involve current staff members in the design and implementation of both the short-term and the long-term changes required in human resources.
86. Mechanisms should be developed at the community level to encourage feedback from recipients about the help they receive from the social assistance system.
87. A joint municipal-provincial human resources steering committee should be established.

MOVING TOWARDS SELF-RELIANCE

Barriers that impede the transition from dependence to self-reliance exist within the social assistance system as well as within related programs. Dependence upon assistance is also increased by a lack of basic supports and services, which are essential if the efforts of recipients to be self-reliant are to succeed.

These barriers and the lack of supports are enormously harmful. The longer the stay on assistance, the more difficult it becomes to leave, and the greater the risk of long-term dependence. For many recipients who manage to leave the system, the transition from assistance to self-reliance takes much longer than is necessary. The waste to society is tremendous when people who want to be productive members of their communities are not permitted to contribute. It is a completely illogical misuse of public funds to maintain in a state of dependence people who neither want nor need to be dependent.

Some of the strongest barriers to self-reliance exist outside the sphere of the social assistance system. High levels of unemployment function as the greatest and most impenetrable barrier for recipients. For the majority, a job is the most feasible way of becoming self-reliant. Employment not only provides income; it also provides a sense of belonging and contributing to the community, which increases self-esteem.

The recession of the early 1980s demonstrated the close link between employment and social assistance; as the rate of unemployment increased, the number of applications for social assistance increased. In spite of several years of strong economic growth in Ontario since the recession and a sharp drop in unemployment, the number of people receiving social assistance remains high, which indicates that other barriers to employment remain. For example, newly created jobs have not been evenly distributed across the province, and many of those jobs pay such low wages that recipients who take them often experience a financial loss.

We believe there must be an ongoing commitment and effort to maximize

I believe that one of the basic issues is “Thanks for the help but how can I get off this thing?”

Recipient

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employment opportunities. Governments must take a leadership role. For example, we recommend the development of more flexible work arrangements as a better way of distributing existing jobs. Ontario should expand community economic development initiatives to ensure the creation of jobs in regions of the province with chronically high rates of unemployment.

But even in a full-employment economy, barriers to self-reliance would still exist because of a host of rules and regulations within the social assistance system. They are relics of a bygone era when the "world of work" and the "world of welfare" were seen to be mutually exclusive.

Eliminating Financial Disincentives to Work

A number of existing policies serve as disincentives to move from social assistance into the labour force. For example, restrictions on the number of hours sole-support parents can work without losing benefits discourages them from seeking full-time jobs or part-time jobs that might lead to full-time employment. Only a relatively small amount of income from employment can be kept by recipients before they lose benefits. In many cases, the reduction in benefits is actually greater than the increase in income received from employment, so that recipients are financially worse off by working. The loss of in-kind benefits, like dental care or eyeglasses, when recipients move into the labour force increases the cost of leaving social assistance.

The provincial government must move quickly to eliminate barriers within social assistance that function as disincentives for people to leave the system. For instance, a one-time phase-out benefit of \$250 is now provided to recipients who move into full-time employment. We recommend that the benefit be extended on a pro-rata basis to recipients taking part-time work that could lead to full-time employment. Another needed change is the abolition of work restrictions, limitations within both FBA and GWA on the hours that recipients can work before they are cut off assistance. We recommend the elimination of the "120-hour rule" that now applies to sole-support parents receiving FBA. Fully employed persons who are still in need should be eligible for GWA. Finally, Ontario is the only province to use gross rather than net earned income to calculate the amount of social assistance benefits. This provision, which does not take into account mandatory payroll deductions, is unfair and should be replaced by calculations on the basis of net earnings.

TREATMENT OF EARNINGS

Most social assistance recipients may earn some income from employment before their social assistance benefits are reduced. Income treatment is restrictive, however, and provides relatively little incentive to work. It is also applied unevenly and

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unfairly to recipients because it varies according to category of recipient.

Some but not all of the work-related expenses now incurred by recipients who take a job are defrayed by the work expense exemption. We recommend that the exemption be increased immediately and extended uniformly to all recipients. There should be some flexibility so that extraordinary work-related expenses above the fixed amount can be recognized. In particular, the cost of child care must be included for eligible recipients who do not have access to subsidized child care.

After work-related expenses are considered, most recipients are allowed a basic exemption before benefits are reduced. The level of the basic exemption should be raised as a means of increasing the incentive to work, and all recipients should be entitled to a basic exemption.

As recipients start to earn income above the amounts allowed for work-related expenses and the basic exemption, their social assistance benefits start to be reduced. The rate of reduction is called a "tax-back" rate. The current tax-back rates of 75% and up are unreasonably high. In many cases they effectively exceed 100%, which means that for every additional dollar earned from income, the recipient loses more than a dollar in benefits. Tax-back rates this high serve as a perverse incentive to stay on social assistance. Income above the level of allowable exemptions should be subject to a tax-back rate of 66.66%. We recommend that this uniform rate be applied to all recipients.

These three aspects of earnings treatment are interdependent. Adjustments to any or all of these components must be fully harmonized to avoid creating the disincentives to work that could result if net social assistance benefits became appreciably higher than the earnings of low-income workers.

EARNINGS AVERAGING

The earnings of recipients who work may fluctuate greatly from month to month because of irregular hours. Recipients are now able to average their earnings so they do not lose certain benefits because of unusually high earnings in one month. Unfortunately, the earnings averaging rates vary by category of recipient, creating unfairness and needless complexity. We recommend that the averaging period for earnings be set at six months for all recipients.

TRAINING ALLOWANCES

Recipients who participate in training programs often receive allowances that affect their benefits. The treatment of income from training allowances, however, often differs from the treatment of income from employment, and this disparity can result in financial loss when recipients move from training to employment. We believe

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participation in the labour force and participation in training programs are equally important; the treatment of income from training programs should be the same as that of income from employment.

The Working Poor

The majority of people who are poor receive some or most of their income from employment. People can work and still be poor for a number of reasons. Many jobs are seasonal or part-time. Wage scales do not recognize family size, so a wage that may be sufficient for a single person will leave a family in poverty. To compound the problem, the purchasing power of the minimum wage has decreased by 22% since 1975. Furthermore, in spite of economic growth, the number of working poor people will probably increase in the future. The service sector, which is booming, generally provides jobs that pay low wages and few benefits.

Although the number of working poor people is large, they receive relatively little income assistance from our existing system of social programs. For years, the lack of help available to the working poor has been the major criticism of Canada's income security system.

Our recommendations will significantly improve benefits provided to people receiving assistance. If increased income assistance is not also available to the working poor, however, recipients will be even more discouraged from working. What is worse, there will be a greater incentive for working people to leave the labour force to collect social assistance. To preclude this possibility, we recommend the implementation of a comprehensive program of income supplementation to top up the wages of low-income workers. Negotiations between the province and the federal government to design and implement income supplementation should begin immediately.

Income supplementation should evolve as a program separate and distinct from social assistance. It will provide a benefit that is available only to people who work but whose income is low. Limited forms of income supplementation already exist in four provinces as adjuncts of social assistance. These should be used as the building blocks of a national shared-cost program. We recommend that the Work Incentive Program be revamped and restructured as the foundation for Ontario's income supplementation program.

However, a program of income supplementation is not a substitute for a fair minimum wage policy. On the contrary, the two are complementary. The introduction of income supplementation must be accompanied by an increase in the minimum wage, based on a formula developed in consultation with business and labour.

MOVING TOWARDS SELF-RELIANCE

Harmonizing the Reforms

The recommendations in this report about minimum wage, income supplementation, and social assistance benefit levels (including the work expense exemption, the basic earnings exemption, and the tax-back rate) have as their objective the maximization of incentives for recipients to achieve self-reliance through employment. These three elements are like the components of a mobile; they must be finely balanced. Shifting one component even slightly without adjusting the other two can harm the balance and operation of the whole system. We recommend that reform efforts ensure that the features of social assistance, income supplementation, and the minimum wage be harmonized as fully as possible.

The proposals we developed for each of these three programs became more modest once we understood the imperative and the effect of harmonization. However, we believe that adequate social assistance benefits must be the fixed variable around which changes in the other two programs are designed and harmonized. Reforms in these three areas must also be harmonized with other programs that affect the income of recipients, including the tax system and housing programs.

Transitional Supports and Services

To complement the financial incentives we have proposed, a range of non-financial services and supports must be available to help recipients make the transition from dependence to self-reliance. Wherever possible, these services must be provided to recipients through the agencies or ministries that have responsibility for delivering such services to the population as a whole.

EDUCATIONAL PROGRAMS

The link between low educational attainment and unemployment and poverty is well established. A variety of educational initiatives will help increase the capacity of recipients for self-reliance.

We are particularly concerned about the large number of people who lack basic literacy and numeracy skills – prerequisites for almost any job. We recommend that the province increase its efforts to combat illiteracy, that literacy programs for recipients be delivered by way of mainstream agencies, and that funding for remedial literacy programs be allocated primarily to community-based voluntary organizations. The best way to attack illiteracy may be to prevent it; consideration should be given to the gradual expansion of voluntary public pre-school education.

Recipients for whom basic literacy is not a problem can find the lack of co-ordination between social assistance and the Ontario Student Assistance Program prevents them from furthering their education. We recommend that assistance

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for all low-income post-secondary students should be vested exclusively with the Ministry of Colleges and Universities through OSAP.

Efforts should be made to encourage young people to continue their education as long as possible. We recommend expanding the co-operative education programs for students in senior secondary schools and in-school child care programs to better enable adolescent mothers to complete their schooling. To ensure a smoother transition from school to work, consideration should be given to initiating a full-time, voluntary program of community service work for Ontario's youth.

EMPLOYMENT PROGRAMS

An increasing number of programs are being developed to help people enter the labour force for the first time or to return after a lengthy absence. Some are intended to help people keep the jobs they have. A growing body of research indicates that many of these programs have been successful in helping some recipients leave social assistance. We believe that improvement and expansion of such programs can significantly improve the prospects of self-reliance for many recipients.

Although we fully support the development of programs designed to help recipients enter the job market, we are opposed to an approach known as "workfare" ("working for your welfare"). In order to receive welfare, recipients in some American states are forced into make-work and dead-end jobs that have nothing to do with their aspirations or skills.

Workfare is unnecessary. It has been shown to be ineffective and highly stigmatizing. We strongly recommend that there be a permanent prohibition against any such program.

Ontario's major program designed to help recipients move into the labour force is the Employment Opportunities Program. EOP consists of eight separate programs of employment preparation for recipients, with an emphasis on sole-support parents and actual or potential recipients 16 to 24 years old. Some component programs have not been successful, but many have been found to be of particular benefit to certain groups of recipients. As a whole, EOP has been beneficial, and its success will increase as the research results are used to revise individual programs. We strongly support EOP and recommend that its funding be continued.

A variety of other employment preparation and training programs now help recipients to move into the labour force. The federal Canadian Jobs Strategy program and the Futures program delivered by the provincial Ministry of Skills Development are two examples.

Relatively little is known about which programs are most effective with which recipients. We recommend that the ongoing evaluation of all employment and

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training programs used by recipients should be a major priority. The programs are spread across different ministries and different levels of government, increasing complexity and confusion. Because it is important that services provided to recipients be delivered by the agencies and ministries with responsibility for delivering those services to the population as a whole, we recommend that Ontario develop and implement a comprehensive training strategy that would have all provincial training and employment programs delivered through a single ministry.

Good results could come from fostering and supporting the entrepreneurial spirit of recipients who may be interested in developing small businesses. Experience elsewhere supports innovative approaches such as advancing several months' worth of benefits as working capital for small business ventures.

EMPLOYMENT SUPPORTS

It is now understood that supports that enable people to keep jobs are as important as those that help them to get jobs in the first place. These may range from attendant care for people with severe disabilities to work-site counselling programs for employees experiencing marital problems. One of the most important supports to employment is child care.

The lack of child care is one of the greatest barriers to self-reliance facing sole-support parents. Recent federal and provincial initiatives to expand child care so that it becomes a public service are welcome. They must ensure fair and reasonable access for social assistance recipients, however. Sole-support parents receiving assistance who participate in activities to increase their self-reliance should be guaranteed access to subsidized child care.

SUPPORTS AND SERVICES FOR PEOPLE WITH DISABILITIES

Many of the services needed by recipients with disabilities will be different from those required by other recipients. As a result, approaches to self-reliance for people with disabilities warrant special attention. Two existing programs delivered by the Ministry of Community and Social Services are particularly relevant: the Vocational Rehabilitation Services program, which is discussed in detail in Chapter 5, and community-based workshops.

Workshops have evolved as the primary vehicle to provide employment and training services to people with disabilities. They have come under increasing criticism because they provide training in segregated, artificial settings. In addition, many workshop participants feel exploited because of low or non-existent wages.

The benefits of transferring training and non-competitive employment from workshops to actual employment settings have already been demonstrated. This

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and other strategies to increase integrated employment opportunities have been incorporated into Project Opportunity. The province should move aggressively to implement the initiatives of Project Opportunity, including a wage policy that provides all disabled people who work with at least the equivalent of the standard minimum wage.

The range of supports and services required by people with disabilities is broad. They may include attendant care, communication aids, or specialized transportation. In most cases, they will enable people to live independently in the community; in some cases, they will function specifically as employment supports.

We have already stated a clear preference for social assistance recipients to receive services through mainstream ministries and programs. This preference applies equally to recipients with disabilities. We recommend further development and expansion of services for people with disabilities through the mainstream ministries. We also recommend that the vrs program assist those ministries to ensure that the services they develop are adapted to meet the needs of people with disabilities.

Social Services and Supports

The social service system also plays an important if indirect role in helping people to reduce their reliance upon assistance. More resources should be allocated to social services like family counselling and credit counselling as an additional means of helping recipients. There is also a need for an improved social service system in remote and rural areas of the province.

Information we received during the hearings suggests that the social service system does not always assist recipients who have specialized needs. Prospects for self-reliance will be improved if the social service system expands the services provided to Crown wards, victims of family violence, empty nesters, and former psychiatric patients.

We are especially concerned about former wards of the child welfare system. Older wards leaving care are often at their most vulnerable and at a high risk of ending up on assistance. Yet virtually no assistance is available to increase their prospects of becoming independent. Among other measures, consideration should be given to amending the Child and Family Services Act to extend Crown wardship into adulthood if the ward agrees, and to limit the power of the court to end Crown wardship earlier without the ward's consent.

Targeting Services and Supports

The supports and services essential to maximizing prospects of self-reliance for recipients will entail increased expenditures, but public resources are of course

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limited. Decisions will have to be made about targeting certain services for recipients as well as targeting certain recipients for services.

Social assistance recipients must have reasonable access to the supports and services described above. Given our preference for delivery through mainstream programs, we believe it is reasonable to expect programs to reserve a certain proportion of spaces for recipients. In effect, this amounts to an affirmative action program for recipients.

It is also reasonable to target certain recipients to receive specific kinds of services. If resources are limited, it will prove more cost-effective to concentrate help on recipients who run the greatest risk of long-term dependence. Relatively little is known about long-term dependants, however. We recommend the development of a comprehensive profile of long-term recipients to isolate those variables most related to duration and frequency of dependence upon social assistance.

There is already some evidence to indicate which groups of recipients are most likely to benefit from targeting, and we recommend it be used as the basis for an interim targeting strategy. In particular, young, unmarried mothers collecting assistance for the first time should be given special consideration for entry to programs intended to help recipients become more self-reliant. Furthermore, comprehensive programs should be provided for pregnant and parenting adolescents. Programs in the U.S. that combine services like post-natal care, job counselling, and family planning have been successful in reducing prospects of long-term dependence for this group.

We recommend that there be an automatic review of every recipient not engaged with an opportunity planner after two consecutive years of receiving assistance. The review would assess the effects of previous efforts at opportunity planning and the need for other services that would reduce the prospects for continuing dependence upon assistance.

RECOMMENDATIONS

- 88.** The provincial and federal governments should increase their support for community economic development initiatives in regions of the province with chronically high rates of unemployment.
- 89.** The provincial government should foster the development of more flexible work-time options in both the public and private sectors.
- 90.** The lump-sum phase-out benefit should be extended on a pro-rata basis to those recipients who enter part-time employment.

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91. The limitations on full-time work applied to sole-support parents receiving FBA should be abolished.
92. Fully employed single persons and heads of household with spouses should be eligible for GWA.
93. The ministry should adopt the use of net earnings from paid employment as the basis for all social assistance calculations.
94. The amount allowed as a work expense exemption should be increased immediately and extended automatically to all eligible recipients. Exemptions above that amount should be permitted, but only for actual costs incurred for predetermined expenses.
95. Recipients should be permitted to deduct child care expenses as a work-related exemption.
96. The ministry should increase the amount allowed for the basic exemption for both GWA and FBA recipients.
97. All income above the level of allowable exemptions should be subject to a tax-back rate of 66.66% for all recipients.
98. Earnings averaging provisions should be retained, with the averaging periods equalized at six months so that all recipients and their spouses may benefit equally.
99. The earnings treatment applied to income from training and employment preparation programs should be the same as that applied to income from employment.
100. The provincial government should begin negotiations immediately with the federal government to design and implement a comprehensive program of income supplementation to top up the wages of low-income workers.
101. A revamped and restructured Work Incentive Program (WIN) should serve as the foundation for Ontario's income supplementation program.
102. Efforts to reform social assistance must ensure that the elements of a social assistance system, a program of income supplementation, and the minimum wage are integrated and harmonized as fully as possible in order to maximize the incentive for social assistance recipients to achieve self-reliance through employment.
103. The provincial government should increase its efforts to combat illiteracy.

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- 104.** Funding for remedial literacy programs aimed at adults should be channeled primarily through community-based, voluntary organizations.
- 105.** Literacy courses for social assistance recipients should be provided by way of general literacy programs available to all members of the public.
- 106.** The provision of adequate financial assistance to enable all qualified low-income students, including those receiving social assistance, to attend post-secondary institutions should be vested exclusively with the Ministry of Colleges and Universities and provided through OSAP.
- 107.** The province and school boards should consider the gradual expansion of voluntary public pre-school educational programs.
- 108.** The province and school boards, in conjunction with business and labour, should initiate an expansion of co-operative education programs for students in senior secondary schools.
- 109.** The province and boards of education should expand the provision of in-school child care programs to encourage and enable adolescent mothers to complete their secondary education.
- 110.** Ontario should give serious consideration to initiating a full-time, voluntary program of community service work for youth.
- 111.** The requirement to "work for welfare" should be prohibited.
- 112.** Funding for the Employment Opportunities Program should be continued.
- 113.** High priority should be assigned to the evaluation of all employment and training programs utilized by social assistance recipients in order to determine their effectiveness in helping participants move into the labour force.
- 114.** A comprehensive training strategy should be developed and implemented that would see all provincial training and employment programs delivered under the auspices of a single ministry.
- 115.** Encouragement and assistance should be provided to recipients interested in establishing small business ventures.
- 116.** Sole-support parents receiving social assistance who participate in activities designed to increase their capacity for self-reliance should be guaranteed access to subsidized child care.

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- 117.** The Ministry of Community and Social Services should move aggressively to implement the initiatives of Project Opportunity, including a wage policy that provides people with disabilities with at least the equivalent of the standard minimum wage.
- 118.** All relevant government ministries should further develop and expand the delivery of integrated services that would enable people with disabilities to maximize their potential for independent community living, including employment.
- 119.** As long as the Ministry of Health requires a contribution towards the cost of assistive devices, it should provide an income-tested subsidy for those unable to afford the contribution.
- 120.** VRS should continue to phase out its role as a purchaser of services as services required by disabled people are increasingly provided through mainstream ministries.
- 121.** The VRS program should provide assistance to mainstream ministries and departments, to enable them to develop or adapt their services to effectively meet the needs of people with disabilities.
- 122.** Consideration should be given to amending the Child and Family Services Act to extend Crown wardship into adulthood, if the ward consents, and to limit the power of the court to terminate Crown wardships earlier without the consent of the Crown ward.
- 123.** The Ministry of Community and Social Services should develop a comprehensive profile of long-term recipients of social assistance that would isolate those variables most related to duration and frequency of dependence.
- 124.** As an interim strategy and until further research is initiated, single mothers starting to receive assistance for the first time, and especially those who are young and unmarried, should be given special consideration for access to services designed to help people leave social assistance. Further, particular consideration should be given to pregnant and parenting adolescents.
- 125.** An automatic and comprehensive review of every recipient not engaged with an opportunity planner should be undertaken after two consecutive years of receiving assistance, to assess the outcome of any previous efforts at opportunity planning and the need for other services that may make continuing dependence on assistance less likely.

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The way in which social assistance is delivered becomes a statement of the worth of the applicant or recipient. It can enhance or reduce the sense of powerlessness, and it can influence a recipient's decision to take advantage of available forms of assistance.

The present method of delivery is adversarial, complex, and frustrating for both staff and clients of the system. Staff exercise an enormous degree of discretion and do so in a highly variable manner. Present procedures are stigmatizing and many basic procedural protections are absent. Members of multicultural communities are less well served. The system has yet to use technology in a way that appreciably improves delivery from the perspectives of front-line staff and recipients. Finally, a number of intrusive methods of ensuring financial integrity are used, although there is little reliable information about the amount of fraud in the system or the effectiveness of techniques designed to eliminate it.

Five broad changes in the way that assistance is offered must be evident throughout the process.

ATTITUDE

The attitude throughout the system must demonstrate genuine caring for clients and a belief that they are able to make the transition to independence or to achieve integration into the community while remaining in the social assistance system. Without this fundamental change in approach and attitude, the adversarial nature of the system will remain.

WORKING ENVIRONMENT

Many social assistance offices still reflect the low status accorded to recipients and

The delivery of service to families on social assistance should be focussed on giving families or individuals more power and independence . . . At the very least they should in some way be included in decisions affecting their lives.

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staff alike. Standards must be set and resources must be allocated so that these offices provide a more positive environment both to those offering service and to those who come for help.

ADVOCACY

Retention of the present adversarial process would justify a major emphasis on advocacy supports. But if our other recommendations are adopted, a less extensive but still positive approach to advocacy would be required. Opportunity planners should function as strong internal advocates. Clients should be advised of the availability of external advocates and encouraged to use them if desired. Legal clinics should be expanded and lawyers better trained to provide representation in this field. Community-based self-help groups can provide effective advocacy services and should be supported in doing so.

AN OPEN SYSTEM

The system as a whole must become an open one that provides applicants and recipients with the information they need to be full participants. The Ministry of Community and Social Services has developed a case information and disclosure manual, and new freedom of information legislation emphasizes the importance of openness, but no consistent efforts have been made to encourage clients to request their files or to inform them of their right to information. When benefits are refused, reduced, or terminated, clients are not given adequate reasons for the decision.

DISCRETIONARY DECISION-MAKING

Few subjects addressed by the committee evoked the high level of criticism aroused by discretionary decision-making. Not one submission favoured the way in which discretion is currently exercised, and the common suggestion was that all discretion in the system should be abolished. Although we agree that the amount should be reduced, discretion must still exist to some degree in a system as large as this one, to provide flexibility and the opportunity to help those who may not fall within the confines of a specific rule. All decision-making within the system should be reviewed to determine the appropriate level of discretion and to improve the quality and consistency of decisions.

A Fair and Effective System

A number of changes should be made at the various stages of delivery to make the system effective and understandable as well as procedurally fair. First, the applica-

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tion for assistance should become a simplified declaration of need. Applicants should receive an explanation of the process and information on how to obtain the assistance of an advocate, if desired. Home visits should no longer be automatic but should occur only when necessary to ensure that the system is not being abused or at the client's request.

Adequate notice, with reasons, should be given of any proposed refusal, cancellation, suspension, or reduction of benefits. There should be an opportunity for a swift internal review, conducted by someone not previously involved in the matter. Interim benefits should be granted pending an appeal if the applicant would suffer financial hardship. If it is proposed that benefits be reduced, suspended, or cancelled, the benefit should continue until the appeal is heard.

Recipients for whom opportunity planning is mandatory should be made aware of the possibility of a reduction in benefits if they fail to participate. Any proposed reduction should be appealable, and this appeal should include the right to question the appropriateness of any plan developed with or for the recipient.

DETERMINING DISABILITY

The current procedures for determining disability involve excessive reliance on clinical judgement, are essentially invisible, produce widely varying decisions, and lack basic procedural protections. The process for determining eligibility for the new handicapped allowance should begin with the applicant's doctor providing information about any impairments and resulting disabilities. Completion of the medical report should be mandatory, and the doctor should be paid for the report in all cases. A medical adjudicator, after reviewing the doctor's report and a lay report, would have authority to grant the allowance. If the adjudicator is unsure or wishes to deny the application, an interdisciplinary professional review committee would review the application, with the applicant and his or her advocate permitted to attend.

SERVICE TO ONTARIO'S MULTICULTURAL COMMUNITIES

Those working in the present system lack sufficient skill and understanding to deal effectively with Ontario's multicultural society. Service in French is still not fully available in parts of the province where it is essential. The problem is at least as great for other linguistic minorities. The way in which services are offered continues to reflect a lack of cultural sensitivity. More needs to be done, including training programs for staff, broader ethnocultural representation among staff and on boards and committees, improved interpretation services, and the use of multicultural organizations to provide assistance in appropriate situations.

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TRUSTEES AND THIRD-PARTY PAYMENTS

Under the current system, social assistance payments may be made to a third party, with or without the agreement of a competent recipient. Such decisions are generally made in the best interests of the client, but there are no effective checks. Criteria should be established in legislation regarding when such payments are appropriate, and the decision to make them against the wishes of the recipient should be appealable. Under the current system, some 17,000 trustees have been appointed for clients. Here, too, qualifications and criteria for appointment should be established; there should also be ongoing monitoring and a procedure for the possible removal of a trustee who has acted against a recipient's interest.

Appeals

The Social Assistance Review Board has been severely and properly criticized for its procedures, the content of its decisions, and its lack of impartiality. Notwithstanding a number of recent improvements, the procedures of the board fall far short of those required in light of the serious decisions it makes. Board members should be highly qualified, well trained, and effectively supported by in-house counsel. More decisions should be appealable, the right to legal representation should be guaranteed, and there should be full disclosure of all relevant information. The rules of evidence should be followed, and a complete record of the evidence should be available. Interpreters should be provided as required. Adequate reasons should be given for all decisions, with rehearings permitted only in exceptional cases. These are only some of the improvements to the appeal process that we see as a high priority.

Technology

Innovative uses of modern technology could greatly assist the new social assistance system to meet its objectives, providing the technology does not dictate or alter those objectives. Over the past fifteen years, five independent computer systems have been used to support the FBA and GWA programs. The Comprehensive Income Maintenance System (CIMS), which was developed to replace the various other systems, has great potential although it has yet to reduce workload. It is hampered by the complexity of the social assistance system and by an overnight turnaround time on requests for information.

We have outlined a number of ways in which technology might assist recipients. Initial projects should focus upon introducing a voluntary form of electronic funds transfers, "better off working" budgets that would help recipients calculate the overall value of various work opportunities, and personalized entitlement schedules. For staff and administration, initial projects should concentrate upon the reduction

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or elimination of manual records as well as upon developing systems that monitor workloads, provide staff with up-to-date information about the system itself and about the broader service system, and support new training initiatives.

System Integrity

We have stressed the need to demonstrate that the overall system is achieving its publicly stated objectives. It must also be efficient and not subject to internal abuse. For the public, the ultimate test of the system's integrity lies in its ability to control or eliminate fraud on the part of recipients.

No common definition of fraud is used within the system; for example, it is commonly held to include such things as inadvertent overpayments, which clearly do not amount to fraudulent behaviour. There is only limited reliable research on the amount of fraud, although available figures suggest that the incidence is relatively low.

Many of our recommendations, such as those proposing the payment of adequate rates, and the recent elimination of the "spouse in the house" rule should reduce fraudulent behaviour. Measures to control fraud that are highly intrusive or stigmatizing, or that constitute major violations of individual rights, are never justifiable. But effective and acceptable techniques need to be found that build upon the experience gained elsewhere as well as upon the approaches taken in other areas where public funds are either collected or paid out, such as the tax system and the unemployment insurance program.

The province should establish a special review unit to determine the precise amount of fraud in the system and to develop methods of detecting fraud that are effective but as unintrusive as possible. A new approach should be taken to overpayments that limits the right to collect those that are due to system error and alters the procedures and time limits applied to those that are due to error on the part of recipients.

RECOMMENDATIONS

- 126.** Standards should be developed to ensure that social assistance offices are positive environments for both staff and clients.
- 127.** Social assistance workers, and opportunity planners in particular, should be trained to act as internal advocates on behalf of their clients.
- 128.** Clients should be made aware of the availability of external advocates and encouraged to make use of them if desired, from the time of first contact with the system.

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- 129.** The system of community legal clinics should be expanded to ensure that legal advocacy services are available to applicants and recipients.
- 130.** Specialized training should be offered to lawyers who provide legal aid representation in the social assistance field.
- 131.** Financial support and encouragement should be provided to community-based self-help groups providing and seeking to provide effective non-legal advocacy services.
- 132.** The social assistance system should be an open one, providing clients with full access to their files from their initial application through to appeal or their leaving social assistance. Full access should include any information that forms the basis for reports or decisions, whatever its source.
- 133.** Consistent with new Ontario legislation on freedom of information, wherever possible, information needed for social assistance purposes should be collected from the client. Exemptions from this rule should be clearly stated in legislation.
- 134.** All types of decisions within the social assistance system should be reviewed to determine the appropriate level of discretion for each case.
- 135.** Efforts should be made to improve the quality of discretionary decision-making through accurate fact-finding, consistent application of law and policy, training, and more effective review of decisions.
- 136.** An application for assistance should be a simplified declaration by the applicant, indicating that he or she is in need and providing sufficient information to indicate that he or she qualifies for benefits under a simplified system.
- 137.** Home visits should not be automatic, but should occur only at the request of the client, at random, or when necessary to ensure that the system is not being abused.
- 138.** A new procedure should be introduced to determine eligibility for the proposed handicapped allowance. It should incorporate the following elements:
- A physician's report and a lay report should be submitted to a medical adjudicator.
 - The adjudicator should have authority to grant the allowance. If the adjudicator decides not to grant the allowance, the application should be reviewed by a multidisciplinary Professional Review Committee.
 - The applicant and an advocate should be permitted to attend the deliberations of the Professional

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Review Committee.

- Physicians should be required to complete medical reports for applicants and should be paid for doing so. Appropriate civil protection should be granted to those who complete such reports.
- All reports and other information should be made available to the applicant.
- The Medical Advisory Board should be abolished.

139. The government should place a high priority on ensuring that the forms of assistance provided by the social assistance system are available in French across the province.

140. Ethno-cultural representation should be increased on boards and committees within the social assistance system. Additional staff should be recruited from multicultural communities for all levels of the system; front-line staff should be recruited from various ethnic communities to work with non-English-speaking applicants where numbers warrant.

141. Resources should be made available to permit access to trained interpreters as required. More information about the social assistance system should be provided in the languages of clients.

142. Training programs should be established for staff that include a focus upon race relations and cross-cultural studies.

143. Multicultural organizations should be retained to provide information, advocacy, referral services, community education, consultation on specific cases, assessments, and counselling.

144. Present methods of assessment should be reviewed to ensure that they are culturally appropriate.

145. The capacity to make social assistance payments to third parties should be retained, subject to the following safeguards:

- The criteria for third-party payments should be established in legislation. At a minimum, clear evidence that a client has in the past mismanaged or is likely in the future to mismanage his or her finances should be required.
- Decisions to authorize third-party payments should be subject to periodic review.
- Decisions to pay to a third party must be appealable to the Social Assistance Review Board.
- When a recipient wishes to have third-party payments terminated, the onus should be on those who wish to continue them to justify the necessity of doing so.

146. Qualifications and procedures should be established for the appointment of trustees. These should include a requirement of ongoing monitoring of the trustee's performance and a procedure for the removal of any trustee who has acted contrary to the interests of the recipient.

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- 147.** Attachment of social assistance payments should be prohibited by legislation.
- 148.** Whenever it is proposed that benefits be refused, cancelled, suspended, or reduced, or whenever any other appealable decision is made, the applicant or recipient should receive adequate notice providing meaningful reasons.
- 149.** Prior to an appeal to the Social Assistance Review Board, an informal, internal review should be conducted by someone who was not involved in the disputed decision and does not supervise the person who made it. The client should be permitted to bring an advocate to the review, and the client or advocate should have full file access.
- 150.** If it is proposed that benefits of a recipient be reduced, suspended, or cancelled, and the recipient appeals, benefits should automatically continue until a final decision is rendered by the Social Assistance Review Board.
- 151.** If a person has been refused benefits at the initial application stage, interim benefits should be granted if an application to the Social Assistance Review Board reveals that the person would suffer financial hardship pending the appeal.
- 152.** Members of the Social Assistance Review Board should be highly qualified and should undergo extensive and ongoing training in order to carry out their duties properly.
- 153.** The right of appeal should extend to decisions regarding those non-mandatory benefits that ultimately will form part of the basic allowance. Once those benefits become mandatory, the right of appeal should be limited to decisions regarding the basic allowance.
- 154.** When failure to participate in an opportunity plan leads to a proposed reduction in benefits, the merits of the plan should be appealable as part of the review of the proposed reduction.
- 155.** The board should immediately establish an in-house counsel office.
- 156.** Procedures at the Social Assistance Review Board, both before and during hearings, should be non-threatening and should demonstrate respect for the client.
- 157.** Three board members should hear each case. This number should be reconsidered as the quality of hearings improves.
- 158.** The appellant should have full access to all materials contained in the file held by the ministry

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or municipality as well as full access to the board file in the matter.

159. The board should issue summonses as requested by the parties as well as on its own volition.

160. If an applicant or recipient has received notice of an intention to refuse, cancel, suspend, or reduce benefits, he or she should have 15 days to request an internal review. The internal review should be conducted and a decision rendered within 10 days after the review is requested. Following receipt of the decision made at the internal review, the applicant or recipient should have a further 15 days in which to launch an appeal to the board. If the client does not take any of these steps in a timely fashion, then interim benefits would cease. However, there should be provision for extending the time periods if circumstances warrant, in which case interim benefits would be reinstated.

161. Appellants should be entitled to legal representation before the Social Assistance Review Board. Measures should be adopted to ensure that appellants are made aware of their right to legal representation at the time the appeal is initiated. Duty counsel should be available at board hearings in larger communities. Smaller communities should have toll-free access to a permanent duty counsel office in Toronto.

162. An automatic adjournment should be granted if an appellant wishes to obtain legal representation. If a hearing date has already been set with the concurrence of the appellant's legal representative, then the board should grant an adjournment only in exceptional circumstances.

163. The board should explain to those appellants proceeding on their own that free legal services are available, as well as the possible ramifications of proceeding without legal representation.

164. Measures should be adopted to ensure that transcripts can be obtained after every hearing.

165. The board should be able to conduct hearings in French when requested to do so.

166. The board should have interpreters available as required for speakers of languages other than French and English. The board should attempt to learn prior to a hearing whether an interpreter will be needed.

167. The onus should be on the social assistance authority to prove the case against the appellant if it is proposed that benefits be reduced, suspended, or terminated. If benefits have been refused on initial application, the onus should remain on the appellant to meet the respondent's prima facie case.

168. Training of board members should pay particular attention to evidence, the weight given to

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written submissions, and the determination of credibility. The legislation should continue to allow the Director or welfare administrator to present his or her case by means of a written submission. A copy of any such submission should be distributed to the parties at least seven days prior to the hearing.

169. Hearings before the board should be held in private unless the client requests a public hearing.

170. The board should have the authority to affirm, rescind, or vary a decision made by the Director. A matter should not be referred back to the Director in order for the Director to make the decision, but only in order for the Director to carry out an order issued by the board. The Director should receive copies of board decisions concerning his or her department.

171. The board should issue decisions within 15 days of the completion of the hearing, with extensions permitted in exceptional cases.

172. Only those panel members who have actually heard a case should make the decision, and one of those panel members should write the reasons for the decision.

173. The board should be required to give reasons for its decisions.

174. If a party wants a reconsideration hearing, he or she should be required to apply to the board for leave. The board should grant leave only in exceptional circumstances. If leave is granted, the hearing should be conducted as a new hearing.

175. Board decisions should be published and indexed, while maintaining appropriate confidentiality. In addition, the board should establish and publish its procedures.

176. Feasibility studies, followed by pilot programs, should be developed and tested in the following areas:

- the reduction or elimination of manual records management systems;
- on-line update and instant cheque production capabilities as possible enhancements to the current system;
- voluntary electronic funds transfers through direct bank deposits or “smart” cards;
- “better off working” budgets for clients;
- personal entitlement schedules for clients; and
- systems for staff that monitor workloads and productivity, provide up-to-date information on services, and serve as training and information tools with regard to policies and procedures.

177. Within the social assistance system, fraud should be defined as the intentional provision of

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false information, or the withholding of information, where such provision or withholding results in the receipt of benefits that would not have been received if the person's true circumstances had been known.

178. The province should establish a centralized unit, with appropriate branch offices, having the responsibility to:

- ascertain the amount of fraud within the social assistance system;
- develop, test, and evaluate promising methods of detecting fraud that would be compatible with the principles that should guide the system;
- develop publicly stated policies regarding the detection and prosecution of fraud; and
- investigate allegations of fraud, determining when such cases should be referred for prosecution.

179. It should not be possible to collect an overpayment resulting from administrative error on the part of the issuing authority. An exception should exist if the amount of the payment or other circumstance makes it clear that an overpayment has occurred and the client was aware of or recklessly disregarded this fact.

180. In the case of an overpayment resulting from inadvertent client error, recovery should be limited to those overpayments made over the previous 12 months. It should be possible to recover such monies from future payments, subject to a right of appeal to the Social Assistance Review Board if it is felt that deductions would cause severe hardship.

181. When an overpayment has been made to a person who no longer receives benefits, an efficient method of establishing and recovering the overpayment should be established, with a right of appeal to the Social Assistance Review Board.

ADMINISTRATION AND FUNDING

This chapter deals with the structural changes and funding arrangements needed to support the new unified social assistance system. The changes we recommend in administration and funding must be part of fundamental reform of the system as a whole.

Much of the debate about who should deliver social assistance has been predicated on the system as it is now delivered. Some of the criticisms directed at those now delivering social assistance are valid, but in many cases such criticism has functioned as a substitute for broader concerns about the content of the social assistance system. The committee has turned its focus away from determining which level of government has been most successful in delivering the current inadequate system to asking how best to deliver the very different system we have recommended, so that the needs of clients and the objectives of the new system are met.

Problems with the Existing System

Across Ontario, a variety of administrative structures are used to deliver the two tiers of social assistance. Generally, the province delivers FBA through the area and local offices of the Ministry of Community and Social Services. Eight municipalities deliver a partly integrated program by providing FBA to sole-support parents. In some parts of Southern Ontario, GWA is delivered by a regional municipality, in others by a county or a city administration, and in other areas by individual municipalities within unconsolidated counties. In Northern Ontario, applicants for GWA may go to a District Welfare Administration Board, a city social assistance office, a municipality within an unconsolidated district, or a provincial office in areas where there is no municipal organization.

The problems with the current delivery system start with the two-tier structure. It

Although not apparent at first glance, the complexities of the system challenge the best of bureaucrats among us to administer benefits in an equitable manner.

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causes confusion for clients and is administratively inefficient. Clients often move back and forth between the two systems; in many cases people in the provincial program must go to the municipal program to have their emergency or special needs met. The confusion within the system would remain even if a clear distinction could be made between short-term and long-term clients. Administrators at the “lower” (that is, short-term) level would continue to spend considerable time preparing clients to move to the “upper” level. In addition, the perception of a system with “upper” and “lower” tiers reinforces differing treatment and stigmatization of recipients at the municipal level.

Social assistance is a provincial responsibility, but in the existing system, the province does not exercise its authority sufficiently. The array of rules, directives, and policy guidelines issued by the province do not provide direction on some of the most important issues, such as eligibility criteria and required procedures. Even when direction is clear, the rules are often poorly monitored and enforced, or those delivering the program are not properly trained to do so.

There are no provincial minimum standards for GWA and FBA programs on such issues as caseload size, staff training requirements, and office design. This results in especially wide variation at the municipal level in the way assistance is provided. GWA and FBA administrations range from a small office with a part-time welfare administrator offering over-the-counter service only two or three days a month, to a large organization with a sophisticated administrative and office environment and a large complement of full-time, trained staff.

The funding arrangements for social assistance are complex, confusing, and often illogical. They are administratively inefficient, with significant resources required to claim subsidies and monitor the flow of funds. Worse, the funding arrangements create disincentives to effective administration of the program and actually act as incentives to keep people dependent upon assistance, rather than helping them to become self-reliant again.

For example, municipalities receive 80% of the cost of most GWA allowances and benefits from the federal and provincial governments. However, most costs for administration and monitoring of cases are shared on a 50-50 basis with the federal government or paid 100% by the municipality. Municipalities are required by law to pay assistance where need has been established, but they are not required to provide support services to clients to help them leave the system. For instance, cost-sharing arrangements in social services can make it less expensive for a municipality to leave a sole-support parent on FBA than to provide funding for subsidized child care that would enable the parent to enter the labour force.

In addition, the funding arrangements fail to recognize sufficiently variations in

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revenue base from one municipality to another. Differences in cost-sharing arrangements for special-needs items for FBA clients and for GWA clients encourage unequal treatment.

The links between social assistance and the related services needed by social assistance recipients are flawed. In some communities, there are few services with which to link; in others, there is a lack of co-ordinated planning and program development.

The New Delivery System

The move to one unified benefit structure necessitates a similar approach to delivery. Not only must there be only one delivery structure, but the level of government responsible for social assistance must be responsible and accountable for both the income support and opportunity planning functions in order to avoid serious co-ordination problems.

There has been much debate about who should deliver social assistance – the province or the municipalities – with little consensus on even the terms of the debate. Those in favour of provincial delivery emphasize the potential for greater control over the system, greater accountability and consistency, easier monitoring and delivery standards, a clear link between provincial standards and actual delivery, and stronger links between and within senior governments. Those in favour of municipal delivery argue that it would capitalize on a tradition of local government involvement, promote closer contacts with and accountability to the local community, be more responsive to community needs, allow for greater innovation, flexibility, and accessibility, and provide closer links to other social and employment services at the local level.

We believe the province must assume greater overall responsibility for social assistance and must deliver the program where this is necessary to achieve the objectives we have set for it. However, choosing one level of government to deliver province-wide, and identifying it as equally competent across the province, ignores the reality that different parts of the province have different histories and varying capabilities. The objective should be to designate in each area the delivery agent that is best able to provide service to applicants and recipients. If the province creates the very different program we have recommended, if standards are set regarding how the program is to be delivered, and if the province is prepared to set and monitor the conditions under which local delivery is permissible, then we would support municipal delivery of the unified program where these conditions are met, for three reasons.

First, a locally based and controlled opportunity planning process increases the likelihood of a strong linkage between that process and the growing range of social and support services delivered at the community level. Since responsibility for both

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income support and opportunity planning should fall to one level of government, this supports municipal delivery of the unified program where possible. It is also within opportunity planning that flexibility and innovation in response to local circumstances are most needed. Local government involvement in delivery increases the likelihood of this happening. Second, we believe municipal delivery would promote greater community understanding of and involvement in the program. Finally, municipal delivery makes it possible to take advantage of those effective, innovative programs that now exist at the local level to help recipients.

The conditions for municipal delivery established by the province should include the following:

- acceptance of all elements of the new social assistance program;
- commitment to developing an annual service plan, with measurable goals and objectives, for review by the province;
- a municipal structure of viable size, including full-time professional administration of the program;
- agreement to abide by the provisions of the French Language Services Act;
- demonstrated capabilities in administration and planning;
- a proven capacity to work with the community and with other government and private agencies delivering services.

DELIVERY TO PERSONS WITH DISABILITIES

In light of our proposals for federal or provincial disability insurance and benefit programs, we recommend that in the short and medium terms, the province continue to administer social assistance to disabled people. It would be impractical and ineffective to move these recipients to the municipal level now, only to move them later to the provincial or federal level. In addition, the province is more experienced in providing opportunity planning to people with disabilities. Once the disability benefit program has been created, a one-tier social assistance program will be fully in place.

Implementation

In the short term, we recommend that the provincial government require the consolidation of social assistance in all unconsolidated counties or districts. The province should also encourage and support consolidation of separated cities with surrounding counties or districts where the population size and resources of either do not support viable separate administrations. Where proposed consolidations have not occurred by the time the new social assistance legislation is passed, the province should deliver the program.

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The province should move immediately to set the conditions that municipalities must meet to deliver social assistance and the process for assessing a municipality's ability to deliver the new program. At the same time, it should begin to develop methods of service planning with municipalities and an effective system for monitoring municipal delivery. It must also prepare to take over delivery where either the ability or the willingness to deliver the program locally is not present.

The eight municipalities that now deliver a partly integrated program should continue to do so while they seek to meet the new conditions for municipal delivery of the fully unified program. Once those conditions are met, these municipalities should also assume the entire caseload that will ultimately be served at that level. The partly integrated program should not be expanded until municipalities wishing to join the program have met the new conditions.

Because social assistance for disabled persons will remain with the province, we believe the delivery of special-needs items to disabled persons should be transferred to the province.

Co-ordinated Policy-making and Planning

Given the breadth of the reforms we recommend and the broad range of services to which recipients need access, how do we ensure co-ordination of planning and policy development within and between levels of government and within communities?

The federal government must be a major participant in the design of the new system; we have outlined the specifics of federal involvement elsewhere in this report. At the provincial government level, a much greater emphasis must be placed on development of social assistance policy, including broad consultation with those affected. As well, the province must take steps to develop an integrated strategic plan for the economically disadvantaged.

We have considered whether an integrated provincial approach requires organizational restructuring of the present ministries. We are opposed to creating a separate ministry for social assistance. However, the province should locate all employment programs for the disadvantaged in one ministry. This would be an important first step in co-ordinating what is now a confusing mix of programs for those with employment difficulties.

We considered whether more organizational change is required to reinforce the essential linkage between social assistance and employment programs. Recent initiatives in this area include the so-called "four-cornered agreement". This agreement, coupled with a government-wide strategy for the economically disadvantaged, might make further organizational restructuring unnecessary. If these measures seem insufficient, then the melding of social assistance and employment programs

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into one ministry should be considered. If this is done, care must be taken not to create new and larger barriers, especially for those who seek the social supports that make employment possible and for those whose opportunities are outside the labour force.

The province must improve its capacity to develop and present integrated plans at the area or community level that implement the provincial strategic plan for the economically disadvantaged. A co-ordinated area plan would establish measurable goals for social assistance, including resources assigned to opportunity planning and the projected results of such planning. It would include consideration of employment supports such as child care, as well as health care, housing, educational programs, and other services in the area.

Communities must be active participants in the planning process. We examined several models for community-based planning structures but concluded that the complexity and uniqueness of any attempt to produce local co-ordination and planning on this scale argue against premature choice of one particular model. Instead, we propose the testing of innovative community-based approaches. There are already some existing organizations that might take on this task.

New Funding Arrangements

Cost-sharing arrangements must support the new program and complement the changing roles and responsibilities we have proposed. For many municipalities, the possibility of assuming the role we have envisaged for them depends upon appropriate cost-sharing arrangements. And because our overall proposals require added funds, appropriate cost-sharing arrangements become one important way of ensuring that the necessary funds are there to implement them.

Social assistance funding arrangements are also part of a broader funding environment that includes cost-sharing of other social programs and the whole range of provincial-municipal transfers. There is a plethora of cost-sharing arrangements in various services; those applicable to social assistance represent only some of the myriad of arrangements now in place.

The committee's ability to recommend meaningful reform of funding arrangements for the new social assistance system was significantly compromised in two respects. First, it is extremely difficult to make decisions without consideration of the entire range of provincial-municipal cost-sharing arrangements. A fundamental change in cost-sharing arrangements for social assistance could have a real impact upon the ability to provide service in other cost-shared program areas.

The province has appointed the Provincial-Municipal Social Services Review to examine cost-sharing across the broader social services field. However, even the

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PMSSR's mandate may be too narrow because it does not include all the other provincial-municipal cost-shared programs outside social services. A broader analysis that looks at the wider impact of cost-sharing is required, but this was well beyond our mandate. Accordingly, we have limited our proposals and directed them at those who will be engaged in the broader review.

The second limitation relates to the unresolved debate over the municipal property tax. Throughout our consultations, the most common argument put forward in favour of relieving municipalities of cost-sharing responsibility for social assistance related to the property tax, which is seen by some as regressive. However, a review of existing research provided no clear answer. There are other arguments related to the appropriateness of the property tax for financing social assistance, but the regressivity issue was not one on which we could take a conclusive position.

Within these limitations, we have reached a number of conclusions. We believe that social assistance is too volatile a program to depend on the relatively small tax base of many municipalities. It is also a mandatory program, in the sense that allowances and benefits must be paid when need exists. Funds must therefore be found from other municipal program budgets, if necessary, when there is an unexpected increase in the need for social assistance. In addition, in periods of economic slowdown, the tax base is eroded at the very time when the social assistance budget is most strained by an increase in program costs. These reasons alone, in our view, make the social assistance income program the least appropriate of all social programs to depend for part of its funding on the municipal property tax. We recommend that full financial responsibility for social assistance allowances and benefits should rest with the senior levels of government.

Provincial funding would remove any disincentive to reading eligibility criteria broadly, thus promoting a consistent level of service across Ontario. We are satisfied that effective monitoring and service planning by the province and municipalities can ensure that funds are spent effectively and efficiently, without a municipal contribution. We expect the PMSSR to consider how best to adjust overall cost-sharing arrangements to avoid a major financial windfall for municipalities.

Municipalities should contribute to the cost of administration of social assistance, including opportunity planning. This contribution should be made whether or not the municipality delivers social assistance; this requirement would avoid any disincentive to municipal delivery of social assistance where a municipality can meet the established conditions for delivery.

Some interim financial measures should be implemented in the short term. The full cost of Supplementary Aid to persons with disabilities should be funded by the province. The provincial and federal governments should fund 80% of the cost of

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Special Assistance for GWA clients, at least for those items that we have recommended become mandatory. To support opportunity planning, consideration should be given to reducing the municipal share of administrative costs for social assistance by introducing a provincial share.

RECOMMENDATIONS

182. The province should assume full responsibility for defining the essential elements of the social assistance program, establishing standards of delivery, and ensuring that those standards are met.

183. The present two-tier delivery structure, which distinguishes between short-term and long-term need on the basis of categories of eligibility, should be abolished.

184. The level of government delivering social assistance in a given community or area of the province should be responsible and accountable for both the income support and opportunity planning functions.

185. The provincial government should deliver the new social assistance program where necessary to achieve the objectives established for the program. The province should delegate to local government the responsibility to deliver the social assistance program where at least the following conditions are met:

- acceptance of all elements of the new social assistance program;
- commitment to developing an annual service plan, with measurable goals and objectives, for review by the provincial government;
- a municipal structure of viable size, including full-time professional administration of the social assistance program;
- agreement to abide by the provisions of the French Language Services Act;
- demonstrated capabilities in administration, human resources management, financial management, technological systems, and planning and co-ordination; and
- a proven capacity to work with other government and private agencies delivering social and employment support services in the community, and with the community at large.

186. The delivery of both income support and opportunity planning to persons with disabilities should be a provincial responsibility in the short to medium term.

187. The provincial government should require the consolidation of social assistance in all unconsolidated counties and districts. It should also encourage and support consolidation of separated cities with the surrounding counties or districts, where the population size and resources

ADMINISTRATION AND FUNDING

of either do not support viable separate administrations. Where proposed consolidations have not occurred by the time new social assistance legislation is passed, the province should deliver the program directly.

188. The provincial government should begin immediately to establish the conditions for municipal delivery and the process for assessing a municipality's ability to deliver the new program. At the same time, it should begin to develop methods of service planning with municipalities and an effective system for monitoring municipal delivery.

189. The present partly integrated program should not be expanded into new municipalities unless the provincial government is first satisfied that each municipality can meet the conditions for delivery of the new social assistance program. Existing or new unified locations that are deemed to meet the conditions should assume responsibility for the entire caseload that will ultimately be served at that level.

190. Responsibility for providing special-needs items for disabled persons – currently vested in municipal Supplementary Aid – should be transferred immediately to the provincial social assistance delivery system.

191. Staff affected by changes in roles and responsibilities and their representatives should be fully consulted and involved in the planning and implementation of the proposed changes.

192. The provincial government should commit more resources to enable a major emphasis to be placed on the development of social assistance policy, including broad public consultation with those affected.

193. The provincial government should develop a strategic plan for the economically disadvantaged to guide policy and program activity for all relevant ministries.

194. Changes in organizational structure and accountability within the Ontario government should include locating all employment programs for the disadvantaged in one ministry. If necessary, consideration should be given to the viability of locating social assistance and employment programs in a single new ministry.

195. Consideration should be given to improving provincial planning and co-ordination of social assistance and related programs at the regional and area level by:

- developing more uniform regional and area boundaries, planning and funding cycles, levels of delegated authority, and use of local planning mechanisms among the relevant ministries; and
- creating regional or area plans with measurable goals and objectives. Such plans should include a

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statement of the objectives and resources for social assistance and for mandatory employment-related services such as child care.

- 196.** Innovative community-based pilots should be introduced to enable an evaluation of the effectiveness of different models for local planning and co-ordination of social and support services for the economically disadvantaged.
- 197.** The full financial responsibility for social assistance allowances and benefits should rest with the senior levels of government.
- 198.** Appropriate adjustments should be made in provincial-municipal cost-sharing arrangements to ensure that there is no major windfall to local governments from changes in cost-sharing of social assistance allowances and benefits.
- 199.** Municipalities should contribute to the cost of administration, including opportunity planning. Such a contribution should be made whether or not the municipality delivers social assistance.
- 200.** The Provincial-Municipal Social Services Review should complete its work, using the funding recommendations in this report as a guide. It should develop a specific proposal for sharing administrative costs that takes into account differing municipal abilities to pay and avoids disincentives to taking on delivery responsibility.
- 201.** In the short term, full funding of Supplementary Aid to persons with disabilities should become a provincial responsibility.
- 202.** In the short term, 80% of the cost of Special Assistance for GWA clients should be funded by the provincial government, at least for those items that become mandatory.
- 203.** In the short term, consideration should be given to reducing the municipal share of administration costs for social assistance by introducing a provincial share, provided that this does not interfere with longer-term cost-sharing arrangements.

NATIVE COMMUNITIES

This chapter deals with the Native peoples of Ontario and their vision of how to help themselves – how to break out of the circle of poverty and dependency. Our decision to deal with Native social assistance in a separate chapter reflects the unique position of the Native peoples of Canada and flows from the basic objectives of this committee. For Native communities, we believe that the only way to achieve transition from dependency and exclusion to autonomy and integration is to vest control of social assistance within the communities themselves.

The cultures of the original inhabitants of this land are different from those of the mainstream societies. Their history in Canada is unique. To ignore the singular position of these people and try to fit them into the solutions we have drafted for society at large would be to perpetuate the attitudes of the past – attitudes that have contributed to the economic, political, and social isolation of Native communities.

The Delivery System

Most Indian bands deliver their own General Welfare Assistance. The GWA Act designates Indian bands as delivery agents and gives them essentially the same powers and responsibilities as municipalities. They appoint their own welfare administrators. Claims and accounts come under review by provincial authorities.

Native persons in need of assistance living off-reserve must use the same delivery system as the non-Native population. The Family Benefits program is delivered by the provincial government to all Native clients, no matter where they live.

Delivery of GWA by bands is preferable to the existing alternative – delivery from outside the community – but it is not a satisfactory arrangement. The provincial rules and regulations are not geared to the Native traditions or way of life. Native people seeking assistance off-reserve generally do not have access to culturally

Indian people must help Indian people. Indian communities must define their own problems and solutions, and help themselves first.

Mississauga Indian Band Council, Blind River

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appropriate services tailored to their needs. When they use the non-Native system, they are vulnerable to cultural insensitivity.

THE CONSTITUTIONAL CONTEXT

The federal government has constitutional authority in relation to Indians and Indian lands. Provincial governments have jurisdiction in the area of social services. To ensure the complementary operation of laws under these two jurisdictions, the federal and Ontario governments signed the Indian Welfare Agreement in 1965. Under this agreement, Ontario committed itself to the extension of all its welfare programs to Indian people, and the federal government committed itself to contributing to provincial costs for “Indians with reserve status”, for the costs of services provided under the GWA Act, the Child Welfare Act (now replaced by the Child and Family Services Act, 1984), the Day Nurseries Act, and the Homemakers and Nurses Services Act. A set formula is used to calculate cost-sharing. Since 1965, the federal share has hovered around 95%. The FBA program does not fall under the agreement because it did not exist when the agreement was signed.

The agreement covers only services to Indian people living on reserves or Crown land settlements or who have been living in a municipality for less than 12 consecutive months. It does not include services to other Native persons – that is, Métis and non-status Indians, Inuit, and registered Indians who do not live on reserves.

THE WIDER PERSPECTIVE

This committee is acutely aware that a better social assistance system will not solve the root problems of Native communities. Native communities have long felt excluded from decisions affecting them, decisions related to economic and social development on and off reserve land.

The opening up of opportunities for people in Native communities requires a broad range of economic and political initiatives that go far beyond social assistance programs. As we have said in other parts of this report, co-ordination in planning and co-operation in delivery are essential to overcome the compartmentalization of services. In the case of Native communities, we must add the vital elements of cultural appropriateness and community control.

Aboriginal Self-Government

Native peoples have a clear vision of the future they want for themselves. It is a future in which they are in charge of their own communities, a vision of self-government within Canada and a full and equal partnership with the rest of the country.

NATIVE COMMUNITIES

The Ontario Confederacy of First Nations has identified four principles for development of social and other community services. These services must be First Nation-specific, reflecting their culture in form and content; First Nation-determined, involving control over planning and development; community-based, with services developed and delivered within communities; and First Nation-controlled, with operations managed under the authority of First Nation councils and laws.

We recommend that any changes in the social assistance system affecting Native people be consistent with the objective of self-government. For off-reserve Native people, reform should also be consistent with the goal of Native-designed and Native-run social assistance services and programs.

Reforms and Transitions

The committee sees three necessary steps in enabling the Native peoples to design and deliver culturally appropriate social assistance and related services. Throughout all these phases, including the drafting of legislation and the process of implementation, there must be ongoing consultation with Native peoples. The three steps are short-term reforms that do not require legislative change; new legislation specifically directed at Native communities, giving them wide discretionary powers to design and deliver their own social assistance programs; and ultimately the transfer of legislative control over social programs to aboriginal governments.

The short-term reforms and the work to develop provincial legislation should begin immediately. We also urge the Ontario and federal governments to commit themselves to negotiate changes in the Indian Welfare Agreement with the First Nations and to develop a framework for negotiating transfer of legislative control over social assistance and related services to First Nations governments.

SHORT-TERM REFORMS

A number of issues have been ongoing irritants in relations between the province and the Indian bands for so long that they have become symbols of an overall lack of progress towards the objectives of the First Nations. Immediate action on these short-term reforms is vital as an indication of good faith on the part of the provincial government.

For example, the province is generally reluctant to provide programs to Indian bands if there is uncertainty over the federal government's willingness to share the costs. We recommend that the province provide to Native peoples any new social assistance benefits and related services, regardless of whether cost-sharing is assured under the 1965 Indian Welfare Agreement.

We recommend increased efforts to ensure that more high-level and front-line

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jobs in the Ministry of Community and Social Services are filled by Native people. There should also be Native membership on the Social Assistance Review Board. Non-Native ministry staff who may be dealing with Native clients should be given training in cultural sensitivity to help them understand Native traditions. Other needs include training for band welfare administrators and funds for co-ordination of services.

During the first phase of reform, the Indian Welfare Agreement should be retained. The agreement is an artifact of an earlier time; it was not premised on Native-designed and Native-controlled services, nor was it negotiated with the participation of the Indian peoples. But despite its shortcomings, it is an open-ended cost-sharing agreement at a time when such agreements are rare. It should be retained until appropriate changes are negotiated or until an improved agreement is signed by the two governments and the First Nations.

PROVINCIAL LEGISLATION

The second phase should be development of provincial legislation that enables the government to vest control over social assistance in Native communities. The preferred solution would be complementary federal and provincial legislation giving Indian bands broad authority over their own social assistance and related services. Legislative action by both governments would make the transfer of responsibility constitutionally unassailable. But we recognize that, in practical terms, this may take some time to achieve. Accordingly, the province should proceed as far as it can within the limits of its own legislative authority, in co-operation with Native leaders.

This medium-term initiative will also require tripartite negotiations, because changes will be needed in federal-provincial cost-sharing arrangements. Amendments to the Indian Welfare Agreement will be necessary to coincide with creation of a new social assistance system that unifies the GWA and FBA programs. Both levels of government must realize that increased funding will be required to make the transition to Native control of services work.

If deemed necessary by the Native peoples, a non-derogation clause should be included in the new Act, to protect aboriginal rights from infringement. The new legislation should establish the principle of service delivery in a culturally appropriate manner for all recipients of social assistance and should specifically support the principle of culturally appropriate services provided for and by Ontario's Native communities.

The Act should enable agreements to be entered into between the Minister of Community and Social Services and a band or multi-band group to deliver unified social assistance services. To enable these services to be provided in the manner

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determined appropriate by the band or bands, the Act should permit contracting out of any of the provisions relating to social assistance.

In the case of off-reserve Native communities, we recommend provision of more culturally appropriate services in the short term by means of agreements with Native agencies for the delivery of specific forms of social assistance, such as opportunity planning, to off-reserve Native clients. While off-reserve Native communities might eventually be given the same authority as Indian bands to deliver social assistance, it must be recognized that the goal of Native control of services outside the reserves is not as easily achieved. Bands have a defined territorial base and community membership. However, recognition of these differences does not mean off-reserve Native control of services cannot be achieved.

SELF-GOVERNMENT

Both the federal and Ontario governments have expressed support for negotiating self-government agreements. However, little tangible progress has been made since the failure of the last constitutional conference in 1987. We hope that the transfer of authority over social assistance and related services to Indian bands may serve as a model for tripartite agreements in other areas.

RECOMMENDATIONS

- 204.** The Native peoples of Ontario should be involved in all phases of reform of social assistance as it applies to their communities, including the drafting of legislation and the process of implementation.
- 205.** The province should engage in discussions regarding cost-sharing of new programs and services well in advance of their introduction.
- 206.** The province should provide to Native peoples any new social assistance benefits and related services, regardless of whether cost-sharing is assured under the 1965 Indian Welfare Agreement.
- 207.** More community-based services should be made available to Indian bands, particularly bands located in remote areas.
- 208.** The expanded role of Native welfare administrators should be recognized, and they should receive the necessary training to prepare them to fulfil this role.
- 209.** Funding and other support should be provided for the co-ordination of social assistance with other social programs in Native communities.

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- 210.** An aggressive affirmative action program should be undertaken to ensure that more high-level and front-line jobs in the Ministry of Community and Social Services are filled by Native people. There should also be Native membership on the Social Assistance Review Board.
- 211.** Non-Native ministry staff who may be dealing with Native clients should be given training in cultural sensitivity to help them understand Native traditions.
- 212.** The ministry review of living costs in the remote North should continue, and the ministry should involve Native communities directly in the determination of benefit levels. The Northern supplement should be paid under FBA and GWA.
- 213.** Guidelines for use of the home repair fund should allow emergency repairs to community-owned housing.
- 214.** Funerals and related expenses should be covered as an item of basic need.
- 215.** The Indian Welfare Agreement should be retained until appropriate changes are negotiated or until an improved agreement is signed by the federal and Ontario governments and the First Nations.
- 216.** Ontario should proceed as far as it can within the limits of its own legislative authority, in co-operation with Native leaders, to give as much control as possible to Native communities in the area of social assistance and related services.
- 217.** A non-derogation clause should be included in provincial legislation, if it is deemed necessary by the First Nations.
- 218.** Tripartite negotiations should determine the cost-sharing arrangements that will provide funds for the new social assistance system.
- 219.** The new legislation should establish in its preamble the principle of service delivery in a culturally appropriate manner for all recipients of social assistance. In addition, the preamble should support the principle of culturally appropriate services provided for and by Ontario's Native communities.
- 220.** The legislation should enable agreements to be entered into between the Minister of Community and Social Services and a band or a multi-band group to deliver integrated social assistance services. To enable these services to be provided in the manner determined appropriate by the band or bands, the Act should permit contracting out of any requirements of the Act.

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- 221.** Consultation with the First Nations regarding the content and possible implementation of the new Act should begin immediately.
- 222.** In the short term, agreements should be entered into with Native agencies for the delivery of specific forms of social assistance, such as opportunity planning, to off-reserve Native clients.
- 223.** The new legislation should enable agreements to be signed giving off-reserve Native agencies authority to deliver their own unique social assistance program.

RELATED REFORMS

Meaningful reforms in social assistance require complementary changes in a broad range of other policy and program areas. This chapter highlights those additional reforms we recommend in several areas related to social assistance.

Health Care

Although Ontario residents are generally well served by the existing health care system, the health of low-income people continues to be worse than that of the population as a whole. Poor people are ill more often, require more hospital care, have fewer years of life that are disability-free, and die younger. Living in poverty means living in circumstances that can affect the basic determinants of good health.

Many of the recommendations in this report are intended to improve the general financial position of social assistance recipients and the working poor. Their adoption may be the most important health measure that Ontario could introduce. In addition, several other health-related issues should be addressed.

Many recipients are still denied basic dental care. Access to such care for all but disabled people and their spouses and the children of FBA recipients varies greatly across the province and is generally limited to emergency assistance. Members of working poor families receive both emergency and basic care on a discretionary basis only. Children of both GWA recipients and the working poor will be helped by the new provincial dental program, but this help is of limited scope. As well, the separate dental program for social assistance recipients continues to set them apart from those not receiving assistance. We believe the answer lies in the development of one comprehensive dental care program for low-income children and adults.

The Drug Benefit Plan provides assistance to social assistance recipients that is not always available to the working poor. Coupled with the “notch effect”, this disparity can serve as a disincentive to leave social assistance or to remain in a low-paying job. Consideration should be given to extending the Drug Benefit Plan to low-income

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people not receiving social assistance, especially to those with higher-than-average drug costs.

The government has announced that changes to the Assistive Devices Program, which helps people with disabilities raise their level of functioning, will be fully implemented by December 1989. Although coverage will be improved, the program still has shortcomings. For example, ADP does not cover the cost of equipment repairs or such items as closed-captioning devices for deaf people. These and certain devices required in the workplace should be included. If individuals continue to be required to pay 25% of the cost of these aids, relief for those unable to pay should be provided through the ADP itself.

Ontario is one of only three provinces that continue to partly finance their health care systems by charging premiums. Even though premium assistance is available, many working people who are living in poverty must still pay partial or full OHIP premiums. Not only may this serve as a disincentive to work, but those who fail to pay premiums may, at a minimum, be discouraged from seeking care. We support the government's announced intention to abolish OHIP premiums.

Further improvements to the health of low-income people should result from changes in the nature and availability of health information and education and from strengthening the community-based approach to delivery of health services.

Housing

The serious shortage of housing for both social assistance recipients and the working poor has been cited throughout this report. Reform of the social assistance system must be accompanied by a strong commitment to ensuring that people have access to decent housing that they can afford. To be successful, this will require measures that address three issues: supply, affordability, and support.

SUPPLY

There simply is not enough affordable rental housing for those who need it. A number of factors contribute to this shortage. For example, when initiatives in such areas as tax reform, development levies, and regulatory standards are not harmonized, there may be unintended effects that impede housing development. The high cost of land, production, and financing, coupled with the delays involved in obtaining final planning and project approval, mean that existing publicly funded housing supply programs do not work effectively, particularly in expensive housing areas. The deterioration of the present stock and the loss of affordable housing through demolitions and conversions to luxury accommodation or non-residential uses have also contributed to the growing crisis.

RELATED REFORMS

The committee has identified a number of supply initiatives that should be undertaken. Publicly owned land should be made available for the development of affordable housing. The provincial government's recently announced plans to do this must be implemented quickly and accompanied by similar commitments from the federal government, municipal governments, and various public and private institutions across Ontario. The Maximum Unit Price – the amount a non-profit housing developer receives from the government – must be more flexible to meet real land and construction costs in different parts of the province. It must also be high enough to ensure the financial viability of smaller projects. More realistic time frames must be set for the completion of housing projects by the non-profit sector. The allocation process must allow for developments that meet community needs and move away from targeting specific groups of people.

Methods to streamline and simplify municipal planning and regulatory procedures need to be identified. Among the problems to be addressed are municipal land use policies and building standards that have evolved with low-density development and neighbourhood protection in mind. Public resistance to affordable housing, partly the result of an earlier over-emphasis upon high-density projects and the failure to foster a better understanding of recent demographic changes that affect housing needs, must be reduced through aggressive public education strategies. The province's commitment to increase the housing stock should be demonstrated through Planning Act amendments that support the development of affordable housing in all municipalities and require the implementation of such policies in municipal official plans and by-laws.

Existing affordable accommodation is seriously threatened by the fact that many of the apartments built over the past 25 years (40% of Ontario's rental housing stock) are now badly in need of major repairs. This housing has been further depleted through demolitions and conversions. The federal and provincial governments should make a substantial investment in programs of rehabilitation, including efforts to conserve existing Ontario Housing Corporation units, and each municipality should be required to develop mechanisms to ensure that demolitions or conversions are accompanied by replacement of the affordable housing that would be lost.

Intensification (the conversion of existing houses to create added rental units – for example, flats and basement apartments) would produce a substantial increase in affordable accommodation. Once again, a complex and lengthy approval process, restrictive municipal zoning by-laws, and community resistance impede intensification efforts. In addition, homeowners are uncertain about the effect of the Landlord and Tenant Act and the tax implications of earning rental income. The Planning Act should

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require the use of intensification techniques, and municipal by-laws should establish a “converted dwelling unit” category and other means of supporting conversions.

AFFORDABILITY

Neither income support nor housing programs alone can solve the problem of affordability. People must have an adequate income in order to obtain decent accommodation; as well, housing must exist that is affordable and accessible to all who need it. In Chapter 4, we propose a change in the shelter subsidy paid to social assistance recipients that would base it upon the average cost of rental accommodation. This would enable recipients to compete more successfully in the housing market without driving up shelter costs.

To ensure that affordable housing is available, the federal and provincial governments must greatly increase the existing supply of non-profit housing. In the short term, the Rent Supplement Program should be significantly expanded as a means of protecting and increasing the stock of affordable units in private-sector developments.

The committee commends the provincial government for recently broadening the eligibility criteria for rent-gear-to-income housing and adding to the Ontario Human Rights Code a prohibition against discrimination in “adults only” accommodation; the latter was an important addition to the existing provision that prohibits discrimination against social assistance recipients. These provisions should make affordable accommodation more accessible to those now excluded, although stronger efforts are required to enforce them.

SUPPORT

The provision of support is essential for those who need help to live as independently as possible. A range of housing options must be available that reflect differing needs. Of special promise is the concept of “portable services”, whereby affordable housing is provided through non-profit programs that are not targeted to specific client groups; a range of support services is made available within the community to meet the varying needs of people living in that housing.

Both emergency housing and some long-term supportive housing are funded under the GWA Act. Longer-term supportive accommodation should not be funded in this fashion; rather it should be provided through the portable services approach. Specialized programs with unique services that are now funded under the Act – such as transition houses – should be placed under separate provincial residential services legislation.

Thousands of people in need of some support now reside precariously in unregulated boarding and lodging arrangements, often paying room-and-board charges

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that consume most or all of their social assistance allowances. All municipalities should be required to include boarding houses in by-laws relating to physical safety and public health standards, and they should be expected to enforce such by-laws well. In addition, for those boarding and lodging houses that provide care, provincial legislation should establish appropriate personal care standards, enforceable by the municipalities.

Emergency shelters that function as specialized supportive housing should be placed under separate legislation. However, there will always be a need for short-term accommodation for people in dire circumstances, and the provision of such housing should be a mandated municipal responsibility. Funding should continue to be provided under social assistance legislation, which should establish minimum standards of care. Changes that improve present funding arrangements and make capital funding more readily available are required. There is a need for more day programming for those in need of support who are now living in hostels and boarding and lodging houses.

Family Law

Throughout the report our recommendations have been guided by existing laws relating to families. Here we deal with the vitally important relationship between social assistance and those laws that define the support obligations that exist between family members. We believe it is reasonable to expect those with private support obligations to meet them. However, the lack of integration between the public and private support systems, and the failure of each to recognize the problems that women in particular face as they attempt to deal with the other, have often resulted in confusion and serious financial hardship.

We have recommended that clear policies be established that specify the circumstances under which recipients should seek support. Recipients should be given the choice to apply on their own or to have the government bring the support application. When they do apply, mediation services should be made more readily available as part of the court process.

For many women, long-term poverty is the inexorable by-product of separation and divorce. Two reasons for this are the fact that courts often award less when the applicant is a social assistance recipient, and the growing reliance upon the “clean break” approach in the resolution of family disputes. The result can be long-term dependence upon social assistance without the support award that would facilitate the transition to self-sufficiency.

Part of the answer lies in the improvements we have proposed to the public system of support. However, there is an urgent need for better research that exam-

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ines the actual financial impact on family members of new property and support laws and provides decision-makers with the socioeconomic data that should be considered when determining the amount of support awards. Lawyers and judges should be made more aware of the importance of support awards to those receiving social assistance. Recently introduced laws to make support orders and agreements more easily enforceable should help many recipients.

The role of parental support workers – government employees who assist social assistance recipients in support proceedings – needs to be reviewed. New measures for enforcing support awards, the increased importance of the initial awards, and the growing uncertainty about whether parental support workers can represent the interests of both the recipient and the government make such a review necessary.

Finally, there is a need to consider approaches tried elsewhere that seek to merge more effectively the public and private support systems. Of particular interest are the public maintenance advance systems employed in a number of European countries and the Child Support Assurance System recently introduced in Wisconsin.

Federal-Provincial Fiscal Arrangements

THE CANADA ASSISTANCE PLAN

Social assistance is the constitutional responsibility of the provinces. The federal government plays an extremely important role, however, by way of the Canada Assistance Plan. CAP is the federal legislation that enables the cost of social assistance to be shared with the provinces by providing 50% of the cost of all eligible programs.

Increasingly, CAP is influencing provincial social policy decisions. The availability of CAP cost-sharing affects provincial expenditures on social assistance. But the nature of the social assistance population and of the services they need has changed substantially since CAP was enacted in 1966. For these reasons, reforms to CAP are prerequisites to many of our recommendations.

We agree with previous reviews that CAP is essentially a sound, effective instrument for federal-provincial cost-sharing of social assistance. In part, this is a result of the flexibility that comes from its open-ended nature; that is, it places no ceiling on federal expenditures for approved services provided by the province. There is some risk that the open-ended nature of CAP could be lost if the legislation were returned to the federal Parliament for amendments. As a result we have emphasized changes to CAP that do not require amendments to the legislation, such as the creation of new guidelines or policy statements or the reinterpretation of existing ones. In some cases, we propose completely new federal-provincial fiscal arrangements to deal with the funding of new programs.

In effect, CAP sets standards by establishing conditions for cost-sharing, although

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many of these have focused only upon ceilings above which cost-sharing is not available. In light of the improved system we are recommending and the difficulties that can come from having great variations across the country, we recommend that Ontario support the development of minimum national standards in such areas as benefit levels and needs testing. Ontario should also advocate the implementation of a separate fiscal arrangement that would provide enriched funding for poorer provinces to enable them to meet national standards.

CAP sets cost-sharing limits on the amount of money provinces may allow recipients to earn, which affects the incentive to work. Existing levels are too low. To increase the incentive to work, we recommend that Ontario negotiate with the federal government to relax the current CAP guidelines. Earnings exemptions were temporarily relaxed for purposes of the “four-cornered agreement”, a recent federal-provincial undertaking to increase job opportunities for recipients. Pending negotiations for new earnings exemption guidelines, Ontario should ask the federal government to extend the time limit on earnings exemptions established in that agreement.

CAP is not an appropriate instrument to share the costs of an income supplementation program. We recommend that Ontario advocate the implementation of a new fiscal arrangement for this purpose. Finally, existing CAP policies restrict cost-sharing for certain municipal administrative and program expenses. We recommend that Ontario urge the federal government to revise CAP policies so that it fully shares these costs.

PROGRAMS AND SERVICES FOR DISABLED PERSONS

The Vocational Rehabilitation of Disabled Persons Act and the Canada Assistance Plan are the primary mechanisms by which the federal government shares with the provinces the costs of programs and services for people with disabilities. While VRDP is entirely dedicated to services for disabled persons, CAP shares the cost of social assistance and services required by all persons in need, including disabled people. Although there is some overlap in the services that are eligible for cost-sharing, each piece of legislation has its own characteristics and eligibility rules, and inevitably there are gaps between them. Like CAP, VRDP establishes some conditions for cost-sharing that are now obsolete.

In January 1987, the Minister of National Health and Welfare announced a review of fiscal arrangements governing services for disabled persons. The review is now complete, and important changes are now being considered that would greatly improve VRDP and CAP; for example, extension of the cost-sharing provisions to services for employed people who are at risk of losing their jobs because of disability.

The shortcomings of the review's proposals are the result of shortcomings in VRDP

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and CAP themselves; they do not have the flexibility to fully support the goal of integrating disabled people into the community. For example, VRDP does not provide for the ongoing needs of employed people with disabilities. And, although cost-sharing is available through CAP for services required for independent community living, there are restrictions that limit the ability to deliver services through mainstream programs. New cost-sharing arrangements need to be developed that address these problems, so that the objective of fully integrating persons with disabilities into the community is better supported.

The Voluntary Sector

The voluntary sector continues to play a vital role in the provision of a wide range of services and supports for individuals and communities. Recently, and with reluctance, voluntary organizations have had to devote more of their energy to meeting basic needs for food and shelter.

The emergence of a secondary welfare system, represented by food banks and emergency food and shelter programs, highlights the need for a clarification of the relationship between government and the voluntary sector. We strongly recommend that the government reaffirm the importance of the ongoing and supportive role of the voluntary sector, while also asserting its own responsibility to meet basic human needs for food, shelter, and clothing by providing adequate benefits. Adequate social assistance is the primary method of ensuring the natural demise of the secondary welfare system, thereby freeing the voluntary sector to perform its vitally important role of personal care and support. The answer is not to provide formalized funding for food banks.

Non-profit organizations deliver many of the social and support services that are required by recipients. Measures should be taken to promote closer collaboration between the government and voluntary organizations in the planning and delivery of services. As well, we have recommended that consideration be given to using voluntary groups to deliver opportunity planning to specific client groups, with full government funding.

Public Attitudes

There is a wide gulf between public perception and the reality of social assistance. The public does not receive enough information, which leads to misunderstandings about who receives social assistance and why. This results in a lower level of support for the program than is desirable. A knowledgeable and informed public is a prerequisite for the success of many of the recommendations in this report. The provincial government should immediately begin a comprehensive public education

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campaign to increase public awareness about the social assistance system and those who use it.

Charter of Rights and Freedoms

We have taken a broad view of the Charter in the belief that our proposed changes should reflect its spirit and intent without waiting for court decisions that determine its impact on social assistance.

RECOMMENDATIONS

- 224.** One comprehensive dental care program should be developed and made available to all low-income children and adults, whether or not they are social assistance recipients.
- 225.** Consideration should be given to extending the Drug Benefit Plan to low-income people who do not receive social assistance, particularly those with higher-than-average drug costs.
- 226.** The Assistive Devices Program should be expanded to include needed items now excluded, assistive devices required in the workplace, and the cost of equipment repairs.
- 227.** OHIP premiums should be abolished.
- 228.** The provincial Ministry of Housing should develop a mechanism whereby provincially owned property can be made available for the development of affordable housing by non-profit housing providers.
- 229.** The province should encourage the federal government to mandate the Canada Mortgage and Housing Corporation (CMHC) to identify those federally owned properties that are suitable for the development of affordable housing and establish a mechanism for entering into long-term leases of such properties to non-profit housing providers.
- 230.** Municipal governments should develop policies whereby municipally owned properties are assessed for their suitability for affordable housing and, where feasible, are leased for the development of such housing.
- 231.** The provincial government should assume a co-ordinating role in bringing together all public landowners in order to plan a development strategy for affordable housing.
- 232.** The provincial Ministry of Municipal Affairs should develop methods of streamlining the planning process with the intent of simplifying and shortening the existing approval process.

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- 233.** Municipalities, in co-operation with the Ministry of Housing, should develop strategies to elicit public acceptance of affordable housing and the more flexible use of existing housing stock.
- 234.** The provincial Ministry of Municipal Affairs should seek to amend the Planning Act to include regulations that govern the establishment of affordable housing in all municipalities across the province.
- 235.** All municipalities, in accordance with the Planning Act, should include specific criteria in their official plans and zoning by-laws that support the development of affordable housing within their boundaries.
- 236.** The Ministry of Municipal Affairs should seek to amend the Planning Act to include regulations requiring the use of intensification techniques to increase the supply of housing in all municipalities.
- 237.** Municipalities should review their zoning by-laws to establish a "converted dwelling unit" category and amend existing by-laws to support conversion in areas where the current housing permits it.
- 238.** The provincial Ministry of Revenue should explore property tax incentives aimed at encouraging homeowners to create additional units in their homes.
- 239.** The provincial government should review the Landlord and Tenant Act to determine how best to protect homeowners who rent units in their homes.
- 240.** The Canada Mortgage and Housing Corporation and the Ministry of Housing should significantly increase funding for the provincial Rent Supplement Program.
- 241.** Wherever possible, the provincial government should give priority to the "portable services" concept, which separates housing and support services.
- 242.** Municipalities should be required to include a category for all boarding homes in their by-laws, to regulate such accommodation with respect to physical safety and public health standards, and then to enforce such by-laws.
- 243.** The exemption in the Landlord and Tenant Act relating to room-and-board accommodation should be clarified, with special provisions enacted to govern the termination of tenancies where residents no longer meet bona fide admission criteria.
- 244.** Specialized programs with unique services, such as transition houses, should be removed from social assistance legislation and funded and regulated through separate residential services

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legislation. The long-term domiciliary hostel program should also be removed, and its services should be provided as “portable services”.

245. Municipalities should be required to ensure that emergency shelter is available within their communities.

246. In the short term, the GWA per-diem rate should be reviewed and, if necessary, raised to reflect the broader range of services now provided through the hostel program.

247. The funding mechanism for hostels should be adjusted to ensure that there exists a secure funding base, notwithstanding fluctuations in the number of residents.

248. Capital funding should be provided for the construction, renovation, and maintenance of emergency shelters.

249. The provincial government should rationalize jurisdictional responsibility for the funding of day programs and increase the available funding for such programs.

250. Recipients should be permitted to choose whether to bring support applications on their own or have the Ministry of Community and Social Services bring applications.

251. Resources should be provided to make mediation services more available to people with low incomes.

252. The Ministry of Community and Social Services should engage the Ministry of the Attorney General in a joint review of existing laws dealing with private support obligations and their relationship to social assistance law.

253. Support should be given to research that assesses the impact on family members of recent family law legislation dealing with property division and support and seeks to develop guidelines for spousal and child support awards that reflect an understanding of the economic implications of marriage and family breakdown.

254. Measures should be taken to help lawyers and judges become aware of the interrelationship between the private and public support systems, and of the importance of support awards to women and children who receive social assistance.

255. The functions of parental support workers should be reviewed and their role in the new social

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assistance system should be clarified.

256. Public maintenance advance systems and the Wisconsin Child Support Assurance System should be monitored and evaluated to determine their applicability to Ontario.

257. Ontario should support the development of national standards for social assistance, especially in the areas of rates and needs testing, through the conditions established for federal cost-sharing.

258. Ontario should advocate that separate special fiscal arrangements be made in order to provide enriched funding for social assistance to have-not provinces, to enable these provinces to participate in program enrichment.

259. The Ontario government should enter into negotiations with the federal government to relax the current CAP guidelines on earnings exemptions.

260. Ontario should request the federal government to extend the March 31, 1989, time limit placed on earnings exemptions in the four-cornered agreement pending negotiations for improved earnings exemptions.

261. Ontario should advocate the implementation of a special new fiscal arrangement in order to ensure cost-sharing for income-tested income supplementation programs.

262. The federal government should revise its interpretation of existing policy statements so that it fully shares in shelter-related and special incentive items not now covered.

263. The improvements being considered by the federal-provincial review of fiscal arrangements affecting programs and services for disabled persons should be supported, and a more comprehensive review should be undertaken.

264. The more comprehensive review that takes place should seek new cost-sharing arrangements that more fully support the integration of persons with disabilities into the social and economic life of the community.

265. The government should reaffirm the traditional and ongoing role of the voluntary sector, while also asserting its own responsibility to provide adequate social assistance to those in need.

266. Measures should be taken to promote greater collaboration between government and the

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voluntary sector in the planning and co-ordination of services.

267. The voluntary sector should be looked upon as a possible provider of opportunity planning within the new social assistance system, with full government funding.

268. The Ontario government should not provide formalized funding to food banks.

269. The Ontario government should immediately begin to design and implement a comprehensive, province-wide public education program to increase the level of public awareness and understanding about the social assistance program and those who use it.

STAGES OF IMPLEMENTATION

We have recommended a number of major long-term reforms in addition to a number of short-term changes. This chapter organizes the recommendations into five distinct stages and suggests which recommendations should be implemented at each stage. Our objectives at each stage are to make substantial improvements in the system, to achieve milestones in the move to a fully integrated and harmonized system, to pave the way to reforms at the next stage, and to reflect an understanding of the overall costs and the work that must be done at each stage.

There are a number of reasons why we believe that reform must be carried out in stages. The first is the requirement that major improvements be properly harmonized. For example, we believe that the move to adequate rates cannot be sustained in the longer term if greater disincentives to self-reliance are the result. Accordingly, given that not all the reforms can be introduced at once, a staged process that moves on all fronts at the same time is a necessity.

A second reason is the need to allow sufficient time to ensure proper implementation. The changes must be introduced as quickly as possible without creating unintended results that harm rather than help those whom these reforms are designed to assist. We recognize that substantial planning and policy work, as well as significant staff training, must be done in advance of some of the major changes we have proposed.

A number of our proposals, particularly those that form the final stage, require the participation of the federal government. Others require changes in cost-sharing and other arrangements with municipal governments. We hope that reforms in Ontario will be mirrored by similar changes in other Canadian provinces. The effort to develop national minimum standards may be thwarted if change in one province results in major variations in benefits across the country. Although this is not a reason to delay reforms unduly while awaiting a national consensus, the staging of reform will allow time to search for that consensus.

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A well-supported argument for staged reform, coupled with efforts to inform the public and to marshal support for our proposals, should aid in avoiding the resistance that might develop to a sudden “all-or-nothing” approach. Careful staging also enables periodic review to determine whether the desired results have been attained. Staging is also required in some areas because we need to undertake testing and research before broader changes can be introduced.

NEW SOCIAL ASSISTANCE LEGISLATION

Many of our recommendations depend upon new legislation to support them. The proposed content of the new legislation is found in the recommendations we have made throughout our report. Here we add four suggestions designed to help the law perform the role we see as essential.

First, it is vitally important that those interested in and affected by the legislation be consulted broadly during its development. Second, the legislation should contain a preamble setting out the principles that have shaped it. The preamble should serve as an aid in the interpretation of the Act itself. Third, more of the essential elements of the new system must be placed in the statute and fewer in regulations and policy manuals. Finally, the statute must include provisions that guarantee periodic review of its contents.

The Stages of Reform

Following the description of major changes at each of the first four stages, the estimated overall cost of the reforms is provided. Tables are also included to illustrate the financial impact of the changes on social assistance benefits in Stage One and Stage Four. It was beyond our mandate to conduct a cost-benefit analysis of all these proposals; the costs we have calculated will be partly offset by benefits that we have not been able to assess.

The Stage One changes ought to be achievable within one year; Stage Two, within two years. By the end of Stage Two, the government ought to be in a position to set target dates for completion of the succeeding stages.

Stage One:**The First Year of Reform**

In the first stage, the focus is on immediate changes that signal major moves in the areas of adequacy, incentives to work, and the removal of complexity. The changes must be achievable and must harmonize well with remaining elements of the system. Each must be able to be implemented through regulations or guidelines and must demonstrate the government's commitment to our broad objective and principles.

STAGES OF IMPLEMENTATION

A large number of changes must be made to the benefit structure. For example, the rates in general should be raised, and the highest GAINS-D rate should be raised to the GAINS-A level. At the same time, a study should be initiated to establish a definition of adequacy using a market basket approach. Recipients should be reimbursed for 100% of actual shelter costs up to the existing shelter subsidy ceilings and actual utilities costs should be recognized in full. These shelter-related changes are the most costly of the reforms to be introduced at this stage. Eligibility for assistance should be extended to refugee claimants and to 18- to 20-year-old non-disabled persons living in their family homes. The asset ceilings should be raised and the asset rules changed to support recipients' transition to autonomy.

Many changes are required at this stage to further improve the ability of recipients to achieve self-reliance. For example, work should begin to develop the new opportunity planning function, and procedures should be established to facilitate the referral of applicants and recipients to the VRS program. Other changes include eliminating the 120-hour rule limiting paid employment for sole-support parents, increasing basic earnings exemptions, and lowering the tax-back rate to 66.66% so that all recipients are better off working. The first step in developing income supplementation should be the improvement and expansion of the Work Incentive Program.

Improvements in the way social assistance is delivered will require such changes as the implementation of more precise rules to guide the exercise of discretionary decision-making, the establishment of a new disability determination process, improvements in French-language services, and major improvements in the procedures and rules of the Social Assistance Review Board. These changes will be supported by making interim changes to improve caseload ratios and workloads, and by establishing a human resources steering committee as well as a provincial-municipal training committee.

The first stage must also see changes in the administration and funding of social assistance. For example, the standards and conditions for delivery at the municipal level should be developed and all remaining unconsolidated counties and districts should be consolidated. Provincial funding of Special Assistance at 80% should begin, and responsibility for delivery and funding of Supplementary Aid for people with disabilities should be transferred to the province.

A host of changes to related programs must be made to support the changes to the social assistance program itself. For example, there should be an expansion in literacy programs and co-operative education. The Rent Supplement Program must be expanded, and a more broadly based dental program for all low-income persons should be introduced.

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Table 1. Social Assistance Rates at Stage One (1988\$)

	Present Rate (Maximum)	New Rate (Maximum)	Increase
CLIENT TYPE			
Single employable	\$467.00	\$572.00	22.5%
Single disabled	693.00	762.87	10.1
Single parent with two children	993.00	1,167.00	17.5
Family of four	1,043.00	1,226.00	17.5

COST OF STAGE ONE

The Stage One initiatives would require annually between \$380 million and \$415 million in new federal and provincial expenditures (in 1988 dollars). The primary variable is the size of the general rate increase. These costs are high, but essential to begin the process of reform. Table 1 shows the impact of Stage One changes on social assistance rates.

Stage Two:**Drafting of New Legislation**

The second stage is centred on changes that are urgent but require either planning and design work, prior consultation with other governments and agencies and with the public, or new legislation. For example, the FBA and GWA legislation would be merged to form one Act that would create one overall benefit structure. Many of the reforms cited in the report as requiring new legislation would be begun at this stage. Of particular note are the establishment of new shelter ceilings, a new definition of disability, and the implementation of opportunity planning. In addition, many of the initiatives started in Stage One would be either completed or extended into the second stage.

COST OF STAGE TWO

The annual cost of the major items in Stage Two will be approximately \$225 million (in 1988 dollars). The greater part of this increase is devoted to a further move towards adequacy as defined by the market basket approach.

Stage Three:**Implementation of New Legislation**

Once new social assistance legislation has been passed, the process of implementa-

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Table 2. Social Assistance Rates at Stage Four (1988\$)

	Stage One Rates	Stage Four Rates	Increase Stage Four over Stage One
CLIENT TYPE			
Single employable	\$572.00	\$713.00	24.7%
Single disabled	762.87	843.00	10.5
Single parent with two children	1,167.00	1,425.00	22.1
Family of four	1,226.00	1,663.00	35.6

tion can begin. In particular, the work at this stage will focus on implementation of the new delivery system described in Chapter 5, Chapter 7, and Chapter 8. Sole delivery responsibility will be placed at one level of government in each region of the province, and there will be one overall benefit structure. There will be further moves towards benefit adequacy, and the delivery of many special-needs items will be transferred to the ministries traditionally responsible for their delivery in the mainstream community.

The staffing and opportunity planning initiatives we have recommended will be fully in place. At this stage, too, further strides will be made to assist recipients to become self-reliant. Continuing improvements to minimum wages, a separate mechanism for the delivery of income supplementation to social assistance recipients, and enriched employment and support services will all be implemented. For persons with disabilities, the vrs program will be broadened to provide opportunity planning for the range of independent community living options. A number of Native-designed and Native-controlled social assistance programs will be established in Native communities.

COST OF STAGE THREE

The estimated cost of Stage Three implementation is \$200 million.

Stage Four:
Income Supplementation and Benefit Adequacy

At this stage, the focus is primarily on the implementation of an income supplementation program, broadly available to all working poor persons. Each of the three previous stages will have included significant improvements in social assistance rates. Stage Four, however, will mark achievement of full adequacy as we have defined it. Although it is impossible to predict what the rates will be, Table 2 shows

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approximate amounts that seem appropriate (in 1988 dollars).

The implementation and finalization of any remaining recommendations involving the social assistance system itself should take place at this stage. With the reformed social assistance system in place, the major reforms advocated for the income security system as a whole can then be implemented.

COST OF STAGE FOUR

It is difficult to predict the costs of Stage Four, when income supplementation will be introduced, as no program similar to our proposal currently exists. Much depends on the program design, the minimum wage, and the number of eligible clients who make use of the program. We estimate costs of \$1.3 billion for an income supplementation program with tightly designed eligibility criteria. Changes in social assistance at Stage Four would cost an additional \$225 million, bringing total costs over the four stages to \$2.35 billion, \$1.05 billion for social assistance and \$1.3 billion for income supplementation.

However, we believe it is safe to assume that income supplementation will reduce social assistance expenditures, thereby lowering total expenditures from \$2.35 billion to approximately \$2.1 billion. The net increase to social assistance over all four stages, therefore, would be \$800 million, a 47% increase in the total cost of social assistance based on a 1987/88 cost of \$1.7 billion.

Stage Five:

New Income Security Programs

At Stage Five, the last elements of income security reform – the children's benefit and the disability income program – will be implemented and harmonized with the other elements of the overall income security system. Stage Five will entail added costs that we have not been able to estimate with precision. Accordingly, we decided not to cost this stage before a more substantial cost-benefit analysis can be done.

Different assumptions here could increase or decrease net cost estimates considerably. For example, differing predictions about the number of single parents who will leave the social assistance system would affect cost estimates by hundreds of millions of dollars. At another level, with decreases or increases in the labour supply as demographic changes occur, costs at Stage Five could increase or decrease substantially.

A full cost-benefit analysis of the Stage Five programs should demonstrate immediate and long-term benefits in other areas. Perhaps the best example is the anticipated savings from reduced use of the health care system by both children and adults. The introduction of financial incentives to work, expansion of employment-

STAGES OF IMPLEMENTATION

related services, and better integration of the public and private support systems, along with the security net that the proposed new benefits will provide, should greatly increase the ability of people to live without social assistance. The overall caseload could be reduced by 60% to 70%.

It is important to note that we do not believe the order of implementation must be precisely as set out in this chapter. Some of the elements set out in Chapter 3, such as the children's benefit, could be implemented earlier if there is the political will to do so and if negotiations between the provincial and federal governments are successful.

The Impact and Consequences of Social Spending

Any analysis of the impact of new expenditures in social assistance must begin with the recognition that a large amount of money is now being spent on a system that few people think works well. It is preferable to spend the money required to create a system that will work, rather than continuing to spend large sums on one that does not.

The argument can be taken farther by comparing the added expenditures with the estimated \$60 billion that is now spent on Canada's overall income security system. While the required added expenditures are substantial, they will bring us a great deal closer to the elimination of poverty in this country. There is ample evidence to show that social spending has been an effective tool in reducing poverty. For example, income security programs for the elderly over the past twenty years have blunted the effects of poverty among this group to a significant degree.

There are those who wonder if Canada spends too much on social programs and if further spending could cause economic harm to the country. However, such comparative evidence as exists suggests there is room in the present context for Canada to do more without creating an undue burden on the economy. We believe, as do many experts in the field, that social spending as a whole is not inherently inconsistent or incompatible with economic growth and productivity. We are also encouraged by the results emerging from recent U.S. programs that suggest that programs to help recipients become employed can result in net long-term savings to the public purse.

Monitoring Reforms to the System

Expectations are high that the government will not only consider but will respond to the many recommendations we have advanced. We believe that the government has a special obligation to the thousands of people who participated in this review.

We recommend that, within six months of the release of this report, the govern-

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ment should issue a statement indicating what action it intends to take in response to our recommendations. The government should also publish an annual report that describes the progress made in implementing our recommendations.

In addition, funding should be provided for a council of consumers of social assistance, with a mandate to provide ongoing advice on the design and development of the social assistance system.

RECOMMENDATIONS

270. ● The development of new social assistance legislation should include a period of broad public consultation.
 - The new Act should include a preamble setting out the principles underlying the legislation.
 - The essential elements of the new social assistance system should be found in the statute rather than in regulations and policy manuals.
 - The legislation should guarantee periodic review of the major elements of the new social assistance system.
271. Within six months of the release of this report, the government should issue a statement indicating what action it intends to take in response to our recommendations.
272. The government should publish an annual report that describes the progress made in implementing our recommendations.
273. The provincial government should provide funding for a council of consumers of social assistance, with a mandate to provide ongoing advice on the design and development of the social assistance system.
274. The government should undertake a cost-benefit analysis of our proposed reforms.

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